FREIGHT TRAFFIC: A HARD LOOK AT SHIPPER ASSOCIATIONS

February 24, 1969

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THE TRANSPORTATION WEEKLY

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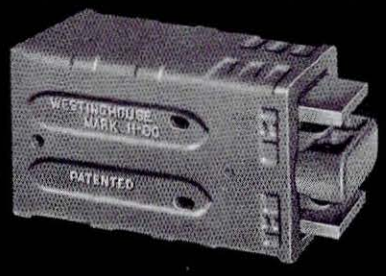

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RAILWAY AGE

Feb. 24, 1969 • Vol. 166, No. 7

THIS WEEK

19 **Metroliner diary**

20 **GE's U50C is designed for fast freights**

22 **COFC/TOFC: Southern's big leap forward**

35 **Shipper proposes new national transport policy**

39 **Du Pont goes for giant tank cars**

41 **Traffic Poll: When shippers meet. . .**

58 **Mergers: Hidden costs of delay and indecision**

DEPARTMENTS

38	As the Editor Sees It	43	People in the News
46	Bookshelf	7	Short and Significant
51	Freight Carloadings	55	Supply Trade
55	Industrial Traffic	41	Traffic Poll
12	Lines on Labor	58	Viewpoint
8	Monday Morning Report	21	Watching Washington
51	New Equipment	11	Week at a Glance
47	New Products Report	54	You Ought to Know

. . . AND COMING NEXT WEEK

Pittsburgh's annual transit conference begins March 9. It's the cue for Railway Age in the March 3 Transit issue to examine (a) what Pittsburgh is doing in transit; (b) what the general direction in US transit is going to be.

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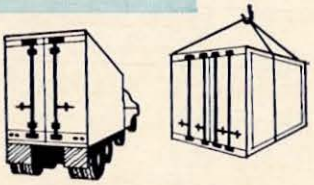

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SHORT AND SIGNIFICANT

Articulated open-top hopper car under test

A new, twin-section three-truck articulated open-top hopper car is now going through a series of intensive dynamic and static tests. Developed for an eastern road, the prototype is reported to have a number of major new design features, including an articulated connector which rests on the truck located at the car-joint; a special pneumatic-hydraulic brake arrangement; and a revolutionary carbody structural concept which allows a part of the payload to be carried in the area above the articulated joint. Curve and impact tests have been under way. Squeeze tests will begin soon, to round out the physical testing program.

ICC will take another look at cost evidence

At the request of the railroads, the ICC has agreed to reopen the cost evidence case (Rules to Govern the Assembly and Presenting of Cost Evidence, Docket 34013). The railroads wanted to make new arguments for consideration of out-of-pocket in addition to fully-distributed costs. ICC set an April 7 deadline for parties to file supplemental evidence on operational differences giving one mode a cost advantage that should be protected.

Car utilization is target of new AAR push

The AAR last week announced a program designed to improve car supply. Guiding a "cooperative effort among the AAR, individual railroads and shippers" will be Penn Central's A. E. Perlman, Burlington's W. J. Quinn and RF&P's Stuart Shumate. The field force of AAR's car service division has been pledged for full use by Rex R. Manion, AAR vice president—operations and maintenance. Delays at origin, destination and interchange will be the major targets.

For small cars, a revolutionary rail carrier

With sub-compact automobiles soon to hit the market, auto-makers are getting their first look at a revolutionary rail car—the 89-ft Vert-A-Pak, a closed car which will carry 30 automobiles, in vertical position, front-bumper down. Car "sides" are in five sections, hinged at the bottom. For loading, automobiles are driven onto the lowered sides (three to each panel). They're locked in place and the sides are then swung into an upright position and locked. Developer of the car is said to be a major western road. Reaction from the auto industry is described as excellent—as might be expected, with a car design that increases unit carrying capacity by almost 80% (by comparison with the maximum loading of a tri-level) and provides closed-car lading protection at the same time.

Fatalities follow puncturing of ammonia tank car

Anhydrous ammonia seeping from a punctured tank car at Crete, Neb., killed eight and resulted in evacuation of hundreds of residents from the vicinity of the derailment of a Burlington freight on Feb. 16. Twenty of the 120 cars in the eastbound Denver—Lincoln, Neb., train left the rails and struck two tank cars filled with the liquid fertilizer which were spotted on an adjacent siding.

MacAnanny named acting head of FRA

James H. MacAnanny, head of the Federal Railroad Administration's policy and program analysis office, last week was named acting FRA administrator "until further notice." He replaces A. Scheffer Lang, who departed Feb. 17.

Penn Central adds up the ID box score

Penn Central's industrial development experts kept busy in 1968—and as a result the railroad will pick up 171,000 additional carloads of freight and $39.4 million in extra revenues. This will be the railroad's reward for helping to locate 567 new or expanded plants in 301 on-line communities last year. Some of the new plants to be served by Penn Central are in industrial parks. The carrier now serves some 200 such developments covering 25,000 acres.

MONDAY MORNING REPORT

BETTER SERVICE—VIA TRAIN

When TRAIN goes into service, next Jan. 1, shippers won't notice a thing different. After TRAIN has been in operation for a while, however, shippers should be able to spot something different—and better—in the service railroads are providing. TRAIN—the industry's TeleRail Automated Information Network—will be strictly an internal tool for service improvement. Its primary "customer" will be the AAR's Car Service Division. Ultimately, its operation should make life happier for those who ship by rail, in ways that go far beyond mere matters of car-tracing.

SHIPPERS WON'T HAVE—AND DON'T NEED—DIRECT ACCESS

To an extent, TRAIN's role has been misunderstood. Shippers perhaps naturally assumed that they would have access to this central car-location data bank for their tracing queries. They won't. And the reason is perfectly valid: As set up, TRAIN simply will not provide the kind of detailed car-location data which the shipper can already get from the finely-tuned data systems now working on many major roads. TRAIN's input will be interchange reports—not specific-location reports.

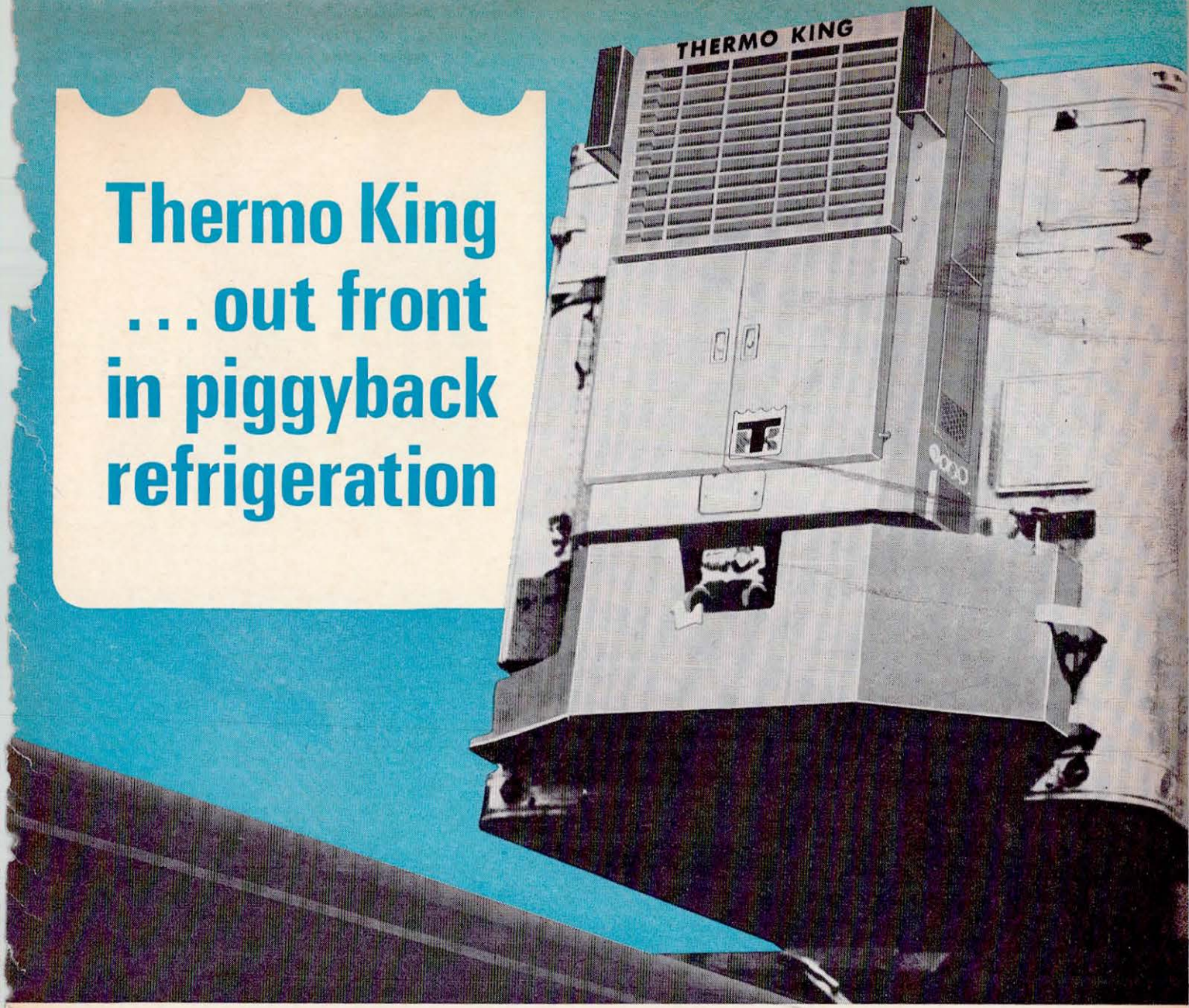
BUT SHIPPERS DO NEED—AND SHOULD GET—IMPROVED CAR-SERVICE

So what *will* TRAIN do for the shipper? If all works out as planned, TRAIN will make it possible for the Car Service Division to do a more efficient and more accurate job of equipment-supply forecasting and equipment distribution. The result should be better use of the available car fleet, an easing of car supply/shortage problems—and better customer service, from an equipment standpoint.

TRAIN'S INTENT: ATTACK THE PROBLEM CAUSE, NOT THE EFFECT

Without a doubt, it would be most convenient if a shipper could dial into a single data-bank and get, by return-blip from the computer, an exact current location of his car, its next move and its estimated time of arrival at final destination. Someday, maybe, this will be possible. Upon reflection, however, most shippers would probably agree that TRAIN's start-up plan is the sensible one. It carries with it a couple of major advantages: First, the operation will be conducted within a practical and manageable framework of data input, messaging and output. Second, and perhaps most important, if TRAIN does what its sponsors believe it can do, it will be attacking the equipment-use problem at the root. After all, car-tracing isn't the basic problem. It's an effect, created by other root problems. Car availability, car utilization, car movement—these are the real concerns. If TRAIN can help out in one or two of these areas, it will be doing its job—in far better fashion than if it were merely running a Dial-a-TRAIN tracing inquiry service.

Thermo King ...out front in piggyback refrigeration



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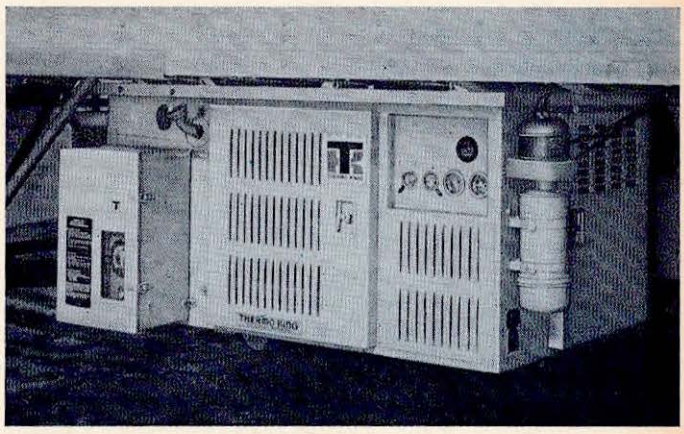

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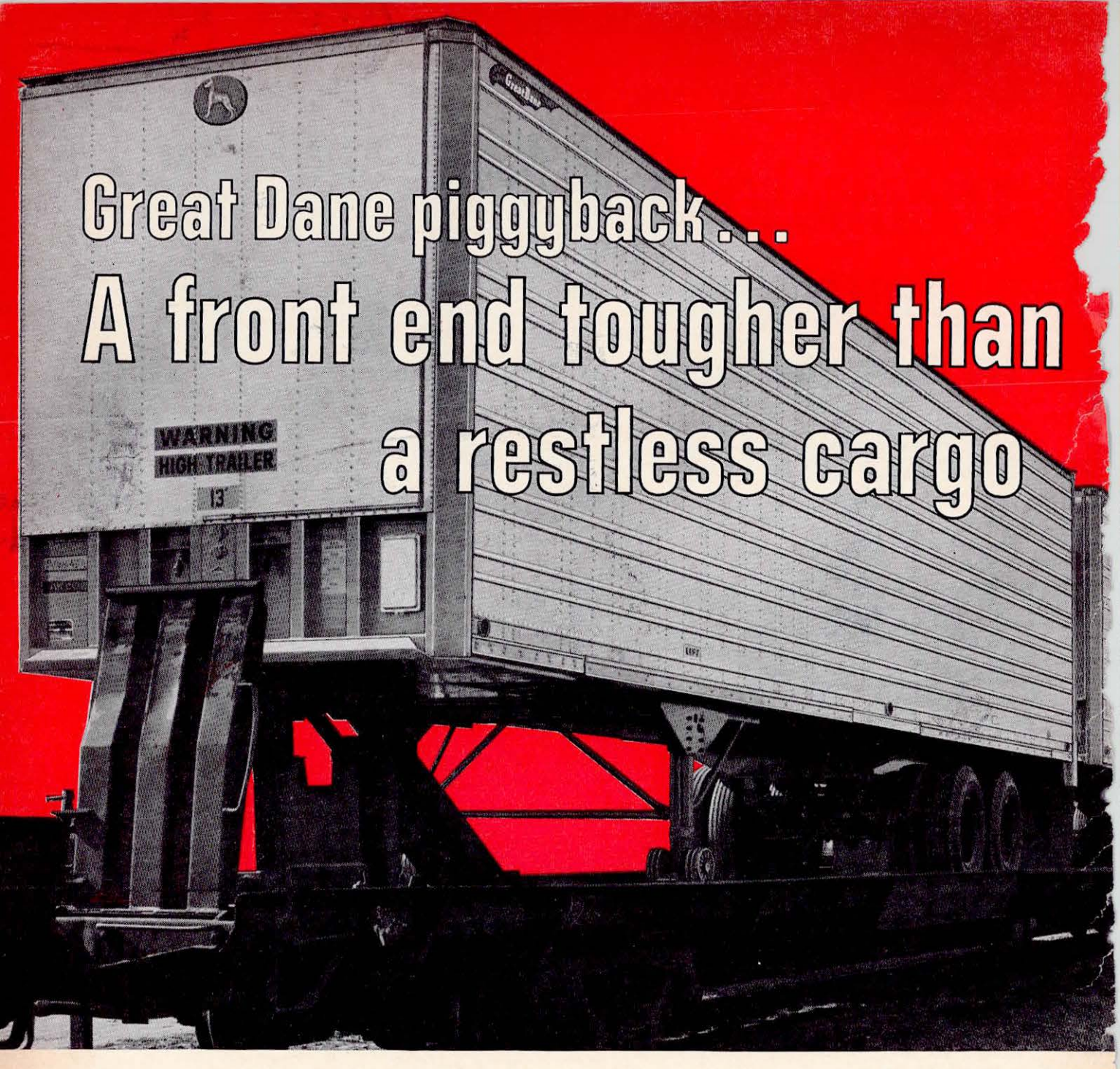

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WEEK AT A GLANCE

ICC report says decision is near on passengers

The Interstate Commerce Commission last week issued its annual report (for fiscal year ended June 30, 1968), with a hint that a decision on its jurisdiction over passenger service is somewhat overdue.

The question is whether or not ICC can set minimum operating and service standards and enforce them as claimed in the controversial report of ICC Examiner John S. Messer. "This proceeding was given expedited handling and a decision should be forthcoming early in 1969," the report says. There is no hint about how the decision will go. Regarding commuter passenger service, the report says that although ICC's direct involvement has been small, "the Commission believes that in order to insure adequate commuter service, the public must be willing to assist carriers in appropriate circumstances, in a cooperative effort to revitalize and improve commuter service." The report shows a slight drop in the ratio of operating expenses to operating revenue for the first half of 1968. The figure is 78.5%, compared with 79.3% for first-half '67.

However, the ICC says, there was a 2.7% rise in operating expenses during that same period, while operating revenue rose only 3.8%.

ICC approves rail agreement on TOFC/COFC

Rails now are free to agree among themselves on per-diem and mileage rates and interchange rules for TOFC/COFC operations, the ICC said last week.

There's one qualification—such arrangements must be made "in full view of all interested parties, and of the Commission." Shippers must be advised of proposals that ultimately affect their interests, ICC said. According to the approved plan, railroads will use the AAR operations and maintenance department—specifically, the general committee of the department's operating transportation division—to collectively consider, initiate, establish and adjust rates and rules. The general committee will submit recommendations to the AAR board.

Railroads to seek federal aid for passenger trains

U.S. railroads are ready to make a bold move which they concede "reverses an historic industry position." They will have legislation introduced in Congress to create "a cooperative industry-government program to sustain money-losing passenger trains that must be kept running as a public service." Under a plan unanimously approved by AAR directors the government would (1) make up any deficits—but only to the break-even point—of trains which railroads are required to keep running and (2) purchase (through the Department of Transportation) new passenger equipment for rental to railroads to replace worn-out equipment. Said AAR President Thomas M. Goodfellow: "The plan would be similar to a contractual arrangement except that the railroads wouldn't make any profit on it. They'd simply be insured against losses." Goodfellow pointed out that the government has made heavy investments in facilities used by other modes, while the railroads have paid their own way. He added: "We'll be glad to continue to operate trains the government insists must be kept on, but we don't think the railroads should have to carry the burden of the losses. We're in no financial position to do that. The most important service the railroads now perform is the transportation of freight, which benefits virtually every business, industry and individual consumer in the country. Our intercity passenger services, on the other hand, are used by less than 1½% of the traveling public. Under these circumstances, the economic stability of the railroad industry clearly is at stake."

GUS WELTY

LINES ON LABOR

GUESSING-GAMES can be fun, when there's not too much at stake. Guessing-games can be nerve-wracking, when the suspense goes on and on, and the hints are conflicting. So how about the Nixon Administration and its management-labor policies, specifically those relating to national-emergency strike situations?

THERE SEEM TO BE as many guesses as there are guessers. Everett Dirksen, Republican leader in the Senate, thinks some form of "over-all strike legislation" may be needed to meet certain kinds of emergency situations (RA, Jan. 27, p. 12). President Nixon is quoted as telling a news conference that strike-stopping provisions of Taft-Hartley are outmoded, and that Congress will be getting new legislative suggestions for dealing with national-emergency conditions. On the other hand, one renowned labor columnist says rather flatly that strike-restrictive legislation is not in the cards. And another respected columnist sizes up the new Secretary of Labor, George P. Schultz, as a man strongly opposed to compulsion in labor settlements—though the size-up does stop short of describing the Secretary as a man who would never opt for compulsory arbitration.

MOST OF THE COMMENT made thus far has dealt with Taft-Hartley, which isn't surprising since it's the law that covers the great majority of management-labor confrontations. But while the Administration is pondering T-H, it might do well to also bone-up on the Railway Labor Act—because the first "new" labor crisis of the Nixon Years may well come from the railroad industry and its unions.

THERE'S AN AWESOME LOT of "ifs" in any consideration of what the Administration might or might not do, in a given situation. If there is to be a new legislative proposal, it seems most likely now that it would be of the "arsenal-of-weapons" variety, designed to give government maximum flexibility and to keep the parties from being too sure just which weapon will be taken down from the rack. That's the broad, over-all "if." But what happens if there is no legislative program, or if it's slow in coming or slow in moving? What happens if one or another of the rail labor situations—the fireman-on/fireman-off or the shopcraft wage case, for instance—comes to a flash-point? What happens if one or another of the rail labor organizations dares to call a broad-based strike? What happens if walkouts are planned on a highly-selective basis? For the Administration, wrong answers would be damaging. Even worse, however, could be an absence of answers.

Pattern settlement recommended for ORC&B and BLE

Emergency Board 174 broke little ne ground in its recommendations settlement of wage disputes involvi the Order of Railway Conductors an Brakemen and the Brotherhood of Locomotive Engineers. In effect, the board proposed disposition of the cases within the basic framework now covering all organizations except these two and the Brotherhood of Railroad Signalmen (which has its dispute before another emergency board which is scheduled to report March 8).

In the ORC&B case, Board 174 recommended:

—Acceptance of the railroads' offer of a general wage increase of 5% of basic daily rates and 3½% of mileage rates retroactive to last July 1, plus increases of 2% retroactive to last Jan. 1 and 3% effective July 1 on both rate bases.

—Provision of a fund equal to a 1% general increase plus 5 cents per hour for each ORC&B conductor, for negotiated distribution covering whatever purposes the parties may determine.

—Modification of vacation and holiday provisions in line with carrier proposals.

In the BLE dispute, the board proposed:

—Wage settlement on a basis identical to that recommended in the ORC&B case.

—Negotiation leading to establishment of an inequity fund. The board indicated that it lacked the data in this instance to make a specific percentage or money recommendation.

—Resumption of negotiations on the BLE's request for an increase for engineers operating without firemen, and consideration of use of some part of the inequity fund for this purpose.

—Withdrawal of the union's demand for an increase in basic daily and mileage rates for engineers using radio.

In both cases the board called for a moratorium on Section 6 notices "to the extent that they cannot be progressed beyond peaceful means before Jan. 1, 1970."

In their original demands, the ORC&B asked for a basic-day increase of 72 cents, plus a general increase of 15%, plus an increase in overmile rates, a senior craft inequity adjustment, an increase in existing car-scale additive compensation, a 10% increase to local-freight employees, and a cost of living adjustment. The BLE wanted a general 15% increase, plus 10% for men working without a fireman, plus 10% for engineers using radio.

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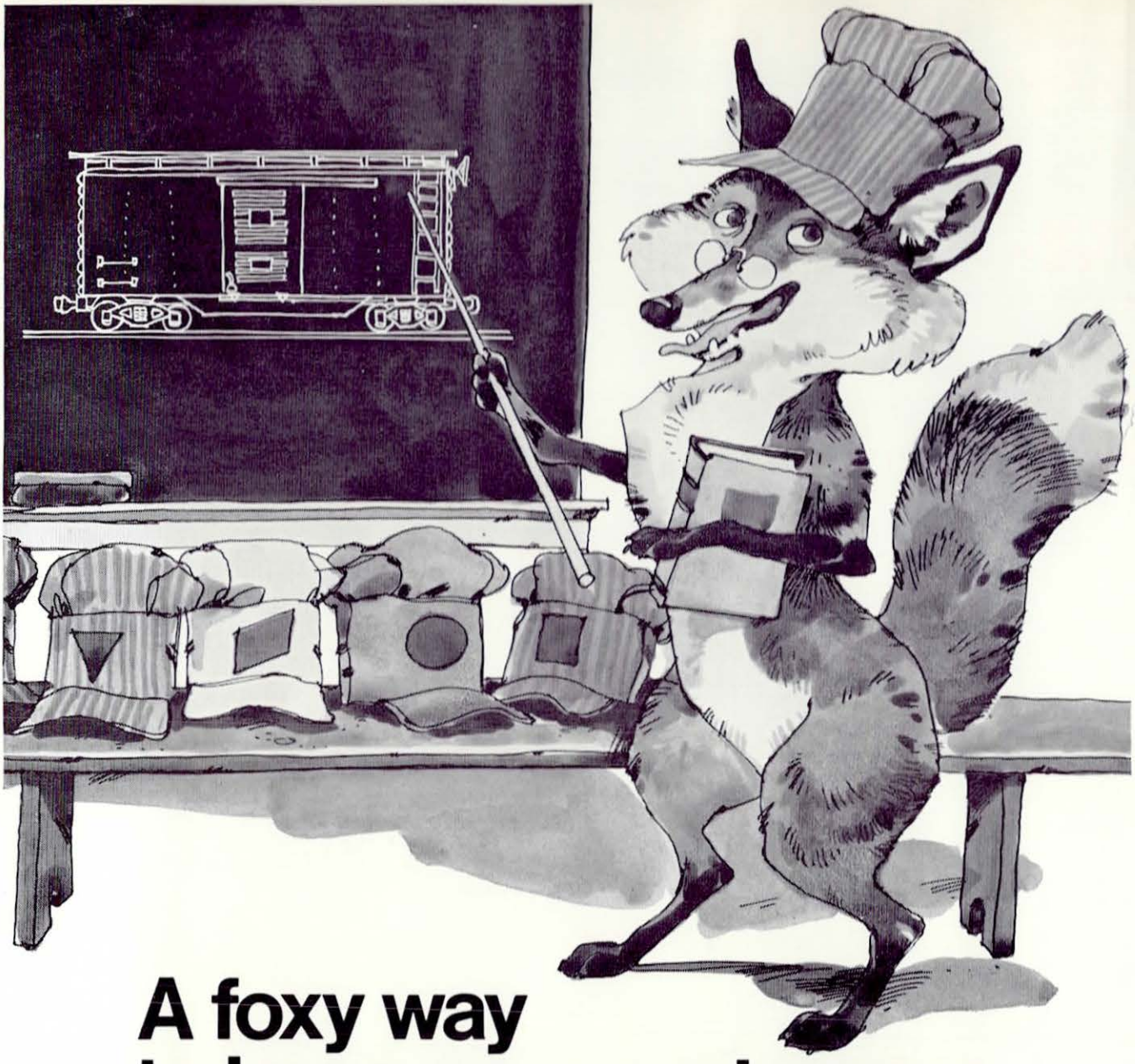

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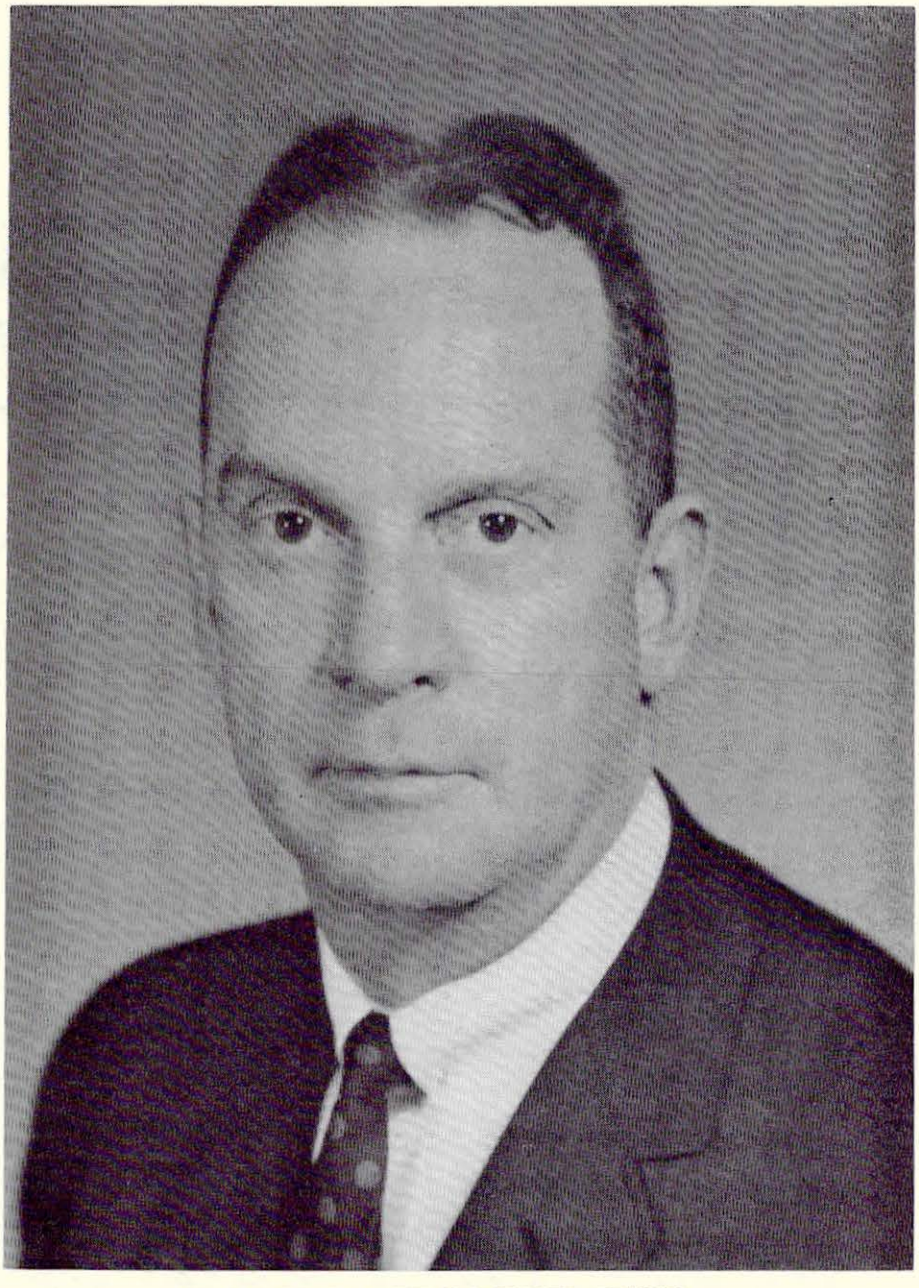

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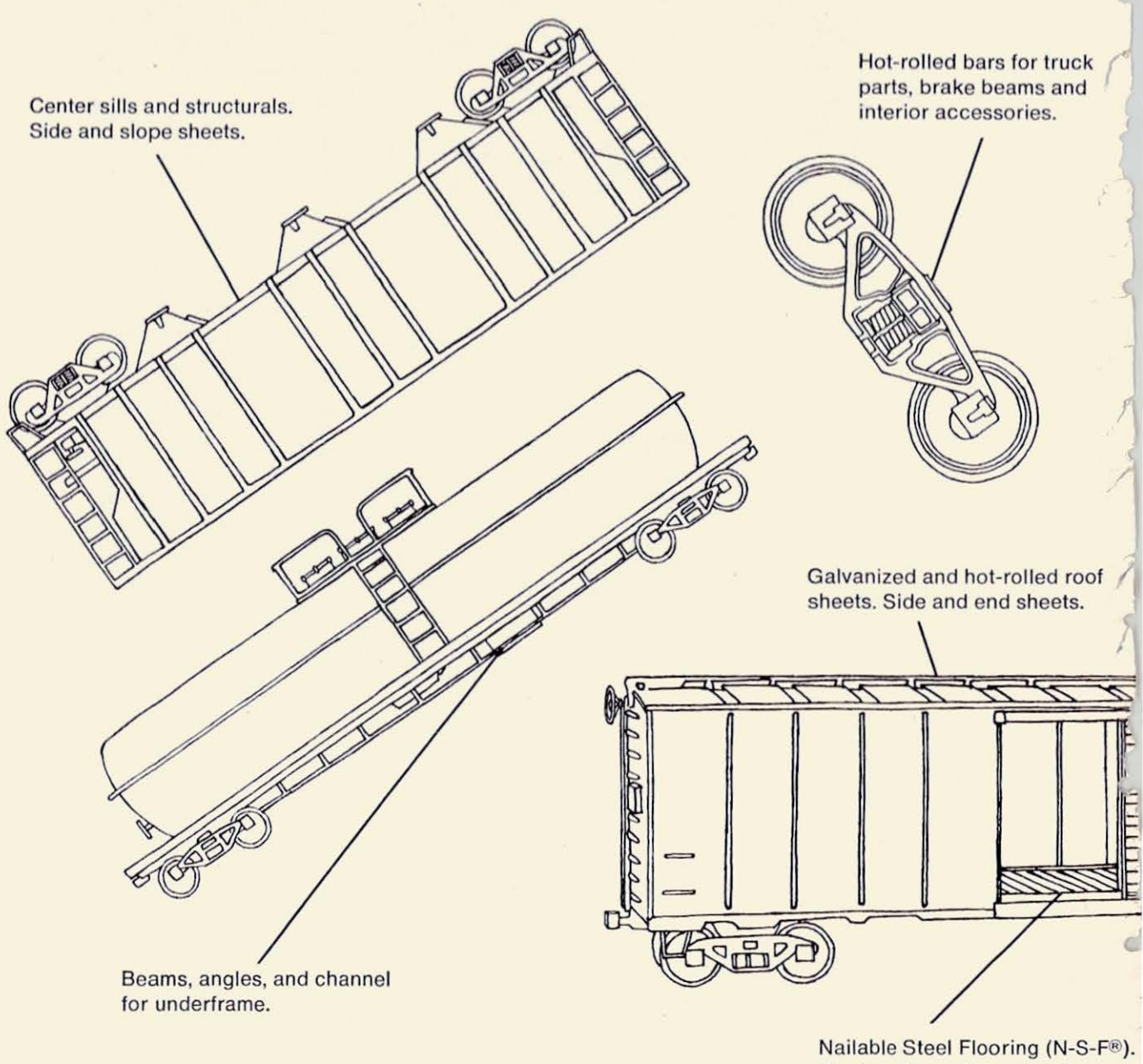
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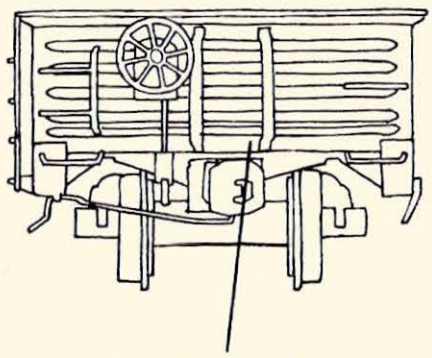
One railroad man to another.



Plates and sheets for ends and sides. Center sills and structurals.

NATIONAL STEEL

TRANSPORTATION PRODUCTS DIVISION

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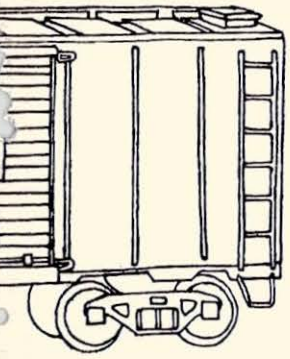
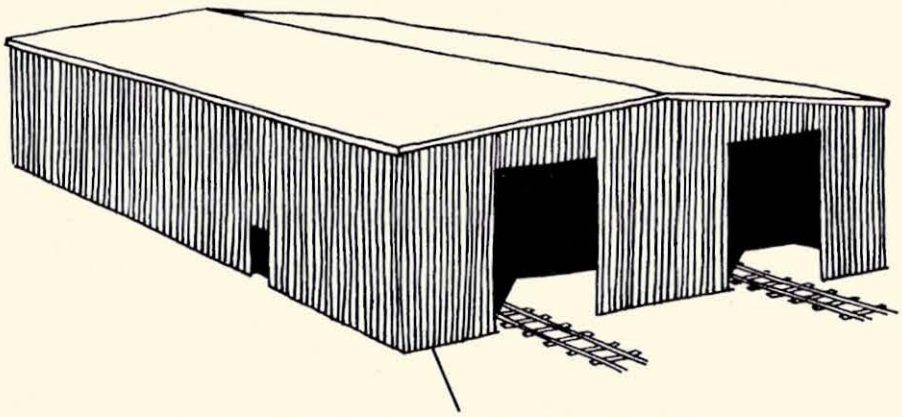
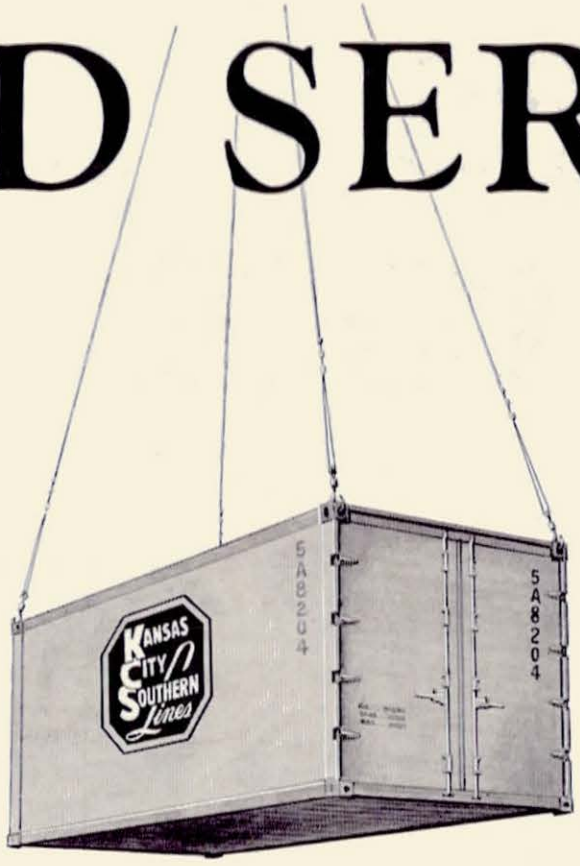




Stran-Steel buildings for maintenance and repair shops, warehousing, offices.

Circle 11 on coupon page 47

ADD WATER AND SERVE.



This is the age of convenience, the era of better packaging, the period of containerization, the time of Kansas City Southern.

If you import and export, and are using containers, you are in step with progress. You are serving your customers faster and more economically.

You are enjoying more profits.

If you are not, let us help you containerize. It's a great way to go. So is Kansas City Southern.

Our rail routes end where sea routes begin. And vice versa.

That's why so many shippers catch us. Coming and going.

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KANSAS CITY SOUTHERN Lines

the uncommon carrier

Circle 12 on coupon page 47

METROLINER DIARY

IT IS 8:30 AND 45 SECONDS A.M., FEBRUARY 14. The automatic doors slide closed and Penn Central No. 2001 glides out of Penn Station, New York, on its 2 hr. 59 min. scheduled run to Washington. Both parlor cars (Metroclubs) and all four snack bar coaches are well filled, with just a few empty seats that are to be claimed at Newark. Note: It took four documents to get aboard—an "authority to issue boarding permit," exchanged at the gate for said permit, a coach ticket and a $2 Metroliner surcharge ticket. At 8:25 the snack bar attendant advised "no coffee yet, we're waiting for hot water."

8:40 A.M. Crossing Jersey meadows. Plenty of good, hot coffee (not ersatz).

8:43 A.M. Boarding passengers at Newark.

8:44 A.M. Departure on time.

9:15 A.M. Pleasant male voice announces over train speaker, "Trenton, capital city of the Garden State. Passengers for Trenton please leave the train by the end marked exit."

9:18½ A.M. Leave Trenton 30 seconds late.

9:48 A.M. Leave 30th Street, only stop in Philadelphia, two minutes late. Many passengers off here, and fresh replacements for most vacated space.

9:53 A.M. Pass Northbound Metroliner, on time.

9:56 A.M. Something you won't see on Japan's New Tokaido line—we pass 95-car freight on northbound track right on the tail of the Metroliner.

10:00 A.M. Overtake regular 8:00 a.m. New York-Washington express.

10:10 A.M. Depart Wilmington, right on time.

10:16 A.M. Milepost 35 to milepost 36 in 32.6 seconds (that's 110.43 mph).

10:31 A.M. Passenger in seat behind remarks to companion "we should have ridden up forward. Riding in this car (last car in train) is like riding the tail of a comet." Reply: "Gee, I hadn't noticed." This reporter's observation: ride level excellent for the high speeds, most railroadmen would agree. But there is motion and sway, even some lurching. Irregularities in surface, and particularly special work, readily transmitted to car body. The motionless glide that the jet set is accustomed to is not matched. Contrariwise, there are no seat belts, and no need for them.

Coach passengers are clearly several strata up the economic scale above average passenger on regular New York-Washington coach trains.

10:53½ A.M. Arrive Baltimore, with 3½ minutes 'til departure time.

11:28 A.M. Arrive Washington Union Station, one minute ahead of time.

3:55 P.M. Depart Washington in Metroclub of No. 2000, northbound.

4:27 P.M. Depart Baltimore, on time.

4:48 P.M. "Good afternoon," over the train speaker, "this is your engineer, Red Holloway, speaking. We are now maintaining a speed of 110 mph. Surprised looks on faces of most passengers.

5:09 P.M. Stopped at Wilmington's new high-level platform, 42 minutes and 68.4 miles out of Baltimore. That's an average of 97.66 mph!

5:12 P.M. Leave Wilmington, on the button.

5:33 P.M. Pass southbound Metroliner, on time.

5:35 P.M. Leave 30th Street, on time.

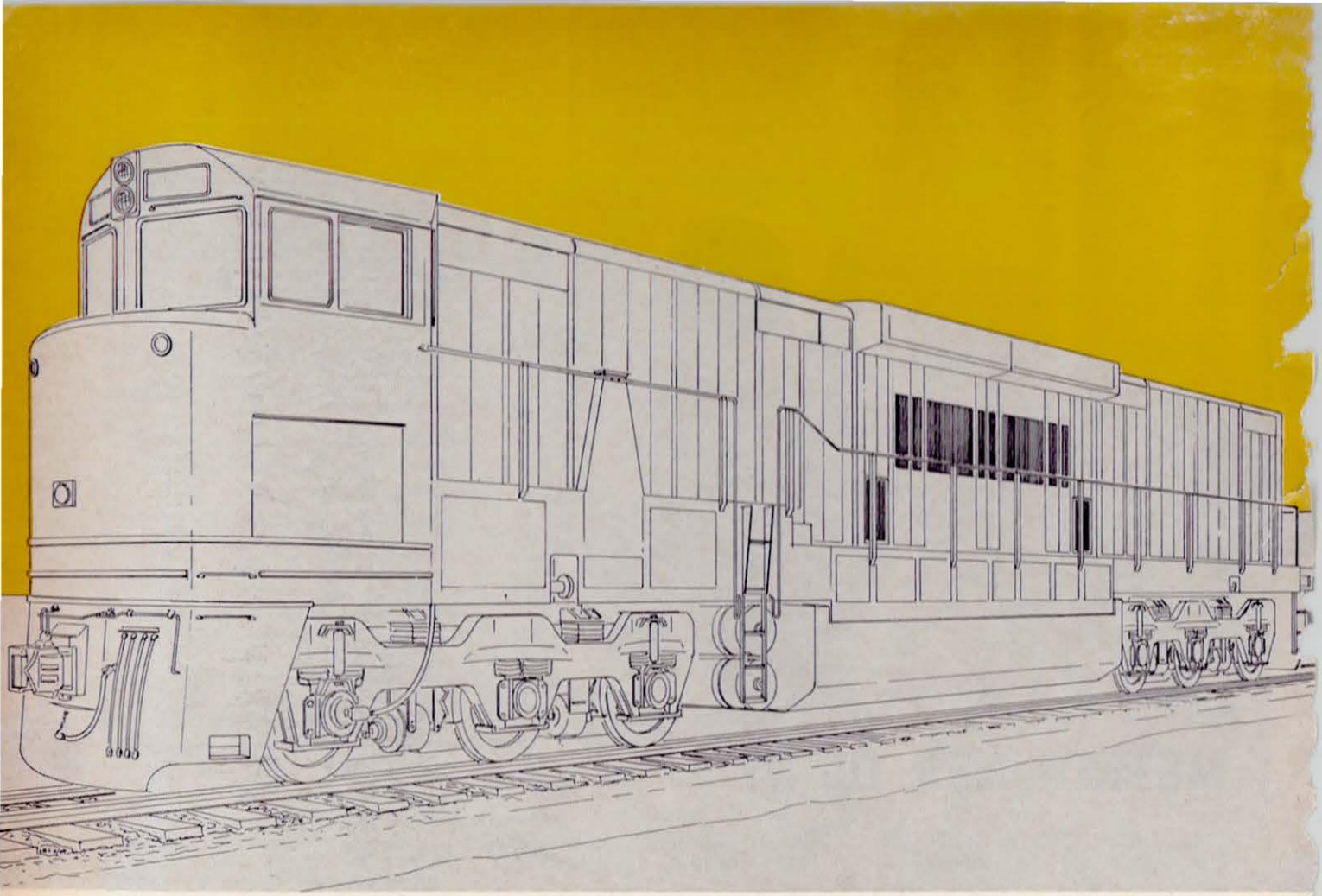
6:04 P.M. Leave Trenton, on time.

6:11 P.M. Called wife on "the fastest telephone in the east"—doing 110 through Princeton Junction. Told her train was on time, that I would make my close connection at Newark for Red Bank, and take her to dinner for Valentine's Day.

6:37½ P.M. At Newark platform, 3½ minutes ahead of time. Conclusion: Fine train, fine operation. Remark to self: Congratulations due Penn Central, DOT, Budd and the many others who made this service come about, and to the pleasant employees who make it a travel experience worth repeating.

P.S. to self—Isn't it great to be able to light up a cigar without having a hostess stomp it out.

ROBERT G. LEWIS



HIGH-CAPACITY DYNAMIC BRAKING SYSTEM will be arranged so locomotive may be self-load-tested at flick of a switch; new simplified ventilating fans cool electrical components and pressurize the engine rooms.

GE U50C designed for fast freights

Reliability emphasized in 5,000-hp dual-engine locomotive which is due for delivery to UP later this year.

A six-axle diesel-electric locomotive rated at 5,000 hp will be going into service late this year. General Electric has announced that this unit, to be built initially for the Union Pacific, will become one of its standard models and will be designated as the U50C. Union Pacific expects to have a dozen of the U50C units in service in 1969 and the remaining eight of its order on the rails early in 1970.

GE sees this unit as having application on a number of railroads. GE feels that a locomotive with such configuration and characteristics should find a place when "expedited" freight trains represent a significant proportion of a road's traffic mix. Actually, in the course of the U50C development, the builder's engineers and marketing specialists elected to produce a locomotive with length and axle loading which would be more widely applicable and cost less per horsepower than the eight-axle 5,000-hp U50D which was produced in 1963 and 1964 (23 for UP and 3 for Southern Pacific).

● **Emphasis on reliability.** They also decided this level of performance could be achieved with a new emphasis on reliability—an important feature in assuring the "saleability" of the fast freights the U50C is designed to haul. In large part this reliability is assured by the utilization of proven components from the present GE locomotive line—the 12-cylinder engine, the three-axle "floating bolster" truck, and the cooling and ventilating concepts used on existing U-series units.

Introduction of the alternator in place of the direct-current main generator used with previous 12-cylinder engine applications gives such a range of transmission capability that a locomotive with neither transition nor field shunting can for the first time be offered. The new transmission will feature motors connected in permanent parallel, an arrangement designed to reduce wheel slip problems. The full-field operation is expected to virtually eliminate flashovers; the absence of high-maintenance power contactors promises to be particularly attractive for mechanical departments.

Once GE had elected for the 5,000-hp rating, it was immediately apparent that 24 cylinders would be necessary—and that the use of any more power assemblies would raise prime-mover weight out of the six-axle range. Development of a 24-cylinder diesel engine would, simultaneously, involve development of a new, larger alternator, a new lube oil system, and other outsize

components. Such an engine would require dual turbochargers.

● **Parts standardization.** GE decided, continuing the parts standardization which it has achieved in the U-series, to utilize a pair of the 12-cylinder engines like the one used in the U23B or U23C locomotive, along with various other proven components not only from the U23 but also from the U30 and U33 models.

The 12-cylinder's rating will be upped to 2,500 hp by raising the engine speed 25 rpm to 1,050 rpm, the same speed at which the 3,300-hp 16-cylinder diesel already operates.

The lube-oil and cooling systems on the U50C essentially will be the systems now used on the 16-cylinder locomotives. Important factors in the reliability of the new dual-engine locomotive, as GE sees them, are the isolation of the oil and water systems for the individual diesels and the powering of each truck by a separate prime mover. The two engines have been located so there is a balancing within 1% on each truck without ballast. With the 5,000-gallon standard fuel tank this will mean an individual axle loading of 69,500 pounds and a total weight of 417,000 pounds. An optional 6,000-gallon tank is also being offered.

● **Matching the service.** While some railroads have been reluctant to consider the dual-engine locomotive, GE points to the long acceptance and good performance of passenger locomotives so powered. It is when a railroad has a high percentage of fast freights that a unit such as the U50C can be most effective, according to GE engineers. Such trains, powered at 3 to 4 horsepower per ton, would probably be headed by two or three of the U50C units. GE's computer studies show that 5,000-hp on six axles is more readily matched to train requirements than would be possible with a unit having more traction motors. In addition to the unit's flexibility, its lighter weight fits it to more railroads' loading limits and the 79½-foot over-all length is suited to a wider range of shops and servicing facilities.

Each of the diesel engines powers the three traction motors on the truck beneath it. This means there is an individual wheel-slip control system for each truck. Such an arrangement is expected to produce higher adhesion than is possible with today's single-engine, six-axle locomotives where slippage of the front axle results in a general unloading of all motors. While the U50C will have an output of 833⅓ horsepower per axle, this is comparable to the 825 hp/axle of the four-motor U33B, approximately a hundred of which are now operating successfully in fast freight service. ■

Frank Malone

WATCHING WASHINGTON

HOUSE COMMERCE GROWS—In the 91st Congress the House Committee on Interstate and Foreign Commerce finds itself with four more members than in the 90th Congress. The count now is 37—21 Democrats and 16 Republicans. Three Democrats are added (one to replace a defeated Committee member), and two Republicans.

SUBCOMMITTEES REMAIN—Commerce subcommittees will continue to operate. That's not exactly startling news, but there have been Congresses in which Commerce worked without subcommittees. And the fact that they exist doesn't mean everything will be handled through them. In the 90th Congress, for example, though 28 bills moved through subcommittees, 12 passed them by. More than half the 90th Congress's work—bills or not—was done without them. In the last 10 Congresses, three Commerce committees omitted subcommittees. Commerce now has five, of which the one closest to transport interests is the subcommittee on transportation and aeronautics, headed by Samuel N. Friedel (D.-Md.).

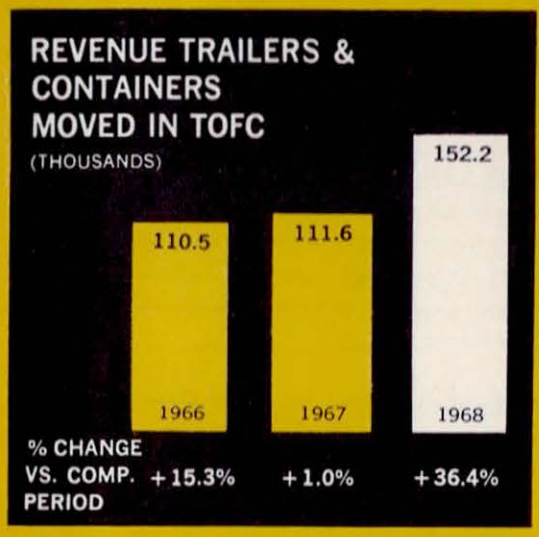
WHY THE INCREASE?—The Committee expansion is ordered by the Democratic members of the House Ways and Means Committee, who act as a committee on committees. Whatever their reason, they decided to add a couple of party colleagues, so two more Republicans must be attached to reflect the over-all House ratio. The increase comes despite long-standing Committee staff efforts to keep the membership down.

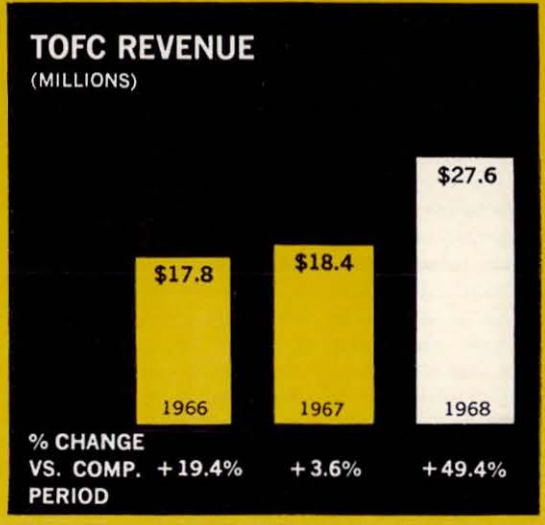
TO MEET BROADER ISSUES?—It might be wishful thinking to say the enlarged membership results from a leadership belief that broadening issues at last will be faced.

TRANSPORTATION, MAYBE?—One of those issues is transportation. If the Committee can get its mind off a temporary transport problem—sky-jacking—it may get around to another one, the chaotic state of ground transportation in the United States. A bill on just that subject is introduced by one of the Committee's top members, John E. Moss (D.-Calif.). Moss calls for a master ground-transportation plan for the entire nation. The plan would come from the Transportation Secretary, in cooperation with the Interstate Commerce Commission, within one year after the bill's enactment. Until 60 days after submission of the plan to the Committee (the Senate Commerce Committee, too), there could be no further mergers or train discontinuances.

COFC/TOFC:

The story behind Southern's





big leap forward

Flexibility is the key word for anyone describing the railroad's rail-highway operation. The instrument of that versatility is the Southern's big fleet of all-purpose flat cars.

For a long time on the Southern, skeptics about the railroad's brand of rail-highway operation have been hard to find. Southern's report on its 1968 piggyback condition should go far in making such skeptics equally scarce throughout the industry.

For 1968, the company shows a rise in rail-highway revenue of nearly 50%.

Southern is, of course, a relative newcomer to COFC/TOFC—which means that its base of COFC/TOFC loadings and revenues is smaller than that of many other carriers. Therefore, percentage increases would naturally be higher than those of railroads operating from a larger base. Even so, Southern's leap forward in 1968 is impressive.

Southern's COFC/TOFC revenue growth of 49.4% brought the 1968 total to $27.6 million, compared with $18.4 million for 1967. It comes from a 36.4% rise in loadings—152,200, compared with 111,600 for 1967. For the industry in general, the 1968 rail-highway loadings increase was approximately 12%.

A look at the 1967-66 figures brings the story into sharper focus. For 1967, Southern records just a 3.5% rise in trailer-container revenue after a 19.4% increase in 1966. While some of that can be credited to the general traffic slowdown in 1967, it is also fair to say that the difference reflects the unique development of the Southern operation.

In the good year 1966, Southern offered a full twelve months of rail-highway service that featured basic container operations. In the good year 1968, Southern offered a full twelve months of that same service—refined to complete flexibility. In between (from 1965, actually), the railroad was testing, and then acquiring in quantity, the instrument of its versatility—the all-purpose flat car.

The Southern investment in flexibility now totals $20 million.

● **Ready for recapture.** Already accounting for about 5.4% of all Southern revenue, rail-highway helped brighten the railroad's over-all 1968 financial picture, says W. Graham Claytor, Jr., president. It also places the railroad in a position to move swiftly into landbridge operations, if they come, and, more importantly, to recapture traffic now moving all the way by truck, Claytor adds.

"Southern is . . . committed to the containerization concept for the movement of freight. Its equipment is compatible with any of the intermodal transportation planning now attracting great interest. . . .

"Vast amounts of traffic now moving entirely by highway are subject to recapture by the railroads as the use of containerization increases and railroads acquire the equipment and develop operating practices and pricing patterns tailored to the special requirements of moving such freight," Claytor says.

● **No wheels on wheels.** Behind the Southern accent on containers is an axiom that has taken on doctrine-status for the railroad's sales force. It goes like this: Anytime a set of trailer wheels is idle on a set of rail-car wheels, Southern is losing time and money. According to this theory, there is no reason why trailer running gear should accompany a unit on the rail haul. The gear should be kept moving on the road, where it belongs.

The principle says that running gear goes only where it's needed, but it's available when it's needed—and a reduced investment in such equipment is needed. In short: wheels on wheels is a waste.

The great enunciator of this doctrine in Southern's sales vice president, William V. Burke, who designed and directed the railroad's move into piggyback. For him, the prohibition against wheel piggybacking is part of the over-all drive toward total flexibility.

● **All-purpose car.** Consequently, Burke was not satisfied with the move merely into basic containerization. He looked for refinement of the no-wheel-on-wheel concept. He found it in the all-purpose flat car that handles wheelless containers and wheeled trailers with equal ease. This, together with the overhead crane, provides the versatility behind the railroad's great 1968 showing.

That's why Burke can say: "All the elements needed for efficient COFC operations are now available. What remains is a matter of acceptance. The necessary elements include container, highway mover, loading-unloading facility, and the flexibility to use a rail car. With the Southern operation, every one of the essentials is here.

"Flexibility is the key to the total exploitation of what is commonly referred to as piggyback. Also needed is cost control in inter-rail movements, that is, adequate development and maintenance of transfer facilities. The container fits both these conditions. It's flexible and transferable.

"With the development of the all-purpose car, we have a car that will handle the container. With the crane, we have the facility to lift the container. With the wheels, we have what's needed for the container to ride on when it's off the rails.

"If you have all of these, you put yourself in a position to obtain the substantial degree of efficiency which is inherent in containerization as opposed to straight piggybacking."

● **Trailers take space.** Burke continues like this: "Most railroads use a ramp. This is the simplest method for loading and unloading trailers. This is adequate until the volume increases. Then ramp operations must increase, too.

"To meet growing volume, you have to build a longer track, and that means you have to back trailers farther. When the limit to that is reached, you have to build a parallel track and another ramp.

"That's just eating up real estate and building up a terrific time requirement for loading.

"Also involved is the time-consuming circus-type loading. You have to raise a hitch at origin and lower it at destination. That's not total flexibility. Southern learned that when it went through its own trailer experience."

● **What Southern uses.** The $20 million that Southern has invested in Burke's philosophy includes money for 600 new containers expected by April 1. This will bring the railroad's container fleet to 2,436. The new units will be 40 feet long, 9½ feet high;

WITH AND WITHOUT WHEELS

Southern Railway's all-purpose flat car has been designed to handle both containers and highway trailers. Fold-down pedestals make possible a smooth deck for circus-style trailer loading.

older ones vary from 20 to 40 feet in length, and most of them are 8½ feet high. All adhere to a standard 8-foot width.

Included in the fleet are 733 insulated containers and 113 open-top models. To move the containers on the road, Southern uses 10% fewer chassis (running gear) than its total container ownership. An extra 464 are on order.

Denver Eyler, director of rail-highway services in Atlanta, comments: "In a number of cases where containers go off line, we have to send the chassis, too, because many connecting lines do not have chassis to handle the container." Southern confidently expects this situation to change substantially as closer attention is given to the economics involved.

There are trailers, too—820, with 50 new ones ordered.

● **Word to shippers.** Comparing his two types of equipment, Burke says: "There's a 50% differential in cost with the container as opposed to the trailer. You reduce your investment 50% anytime you have to buy just the container. And the potential of damage is drastically reduced, as opposed to piggyback. Therefore, rail container costs could be reflected in price stabilization or avoidance of increases. Shippers will have to take advantage of the economies of such an operation."

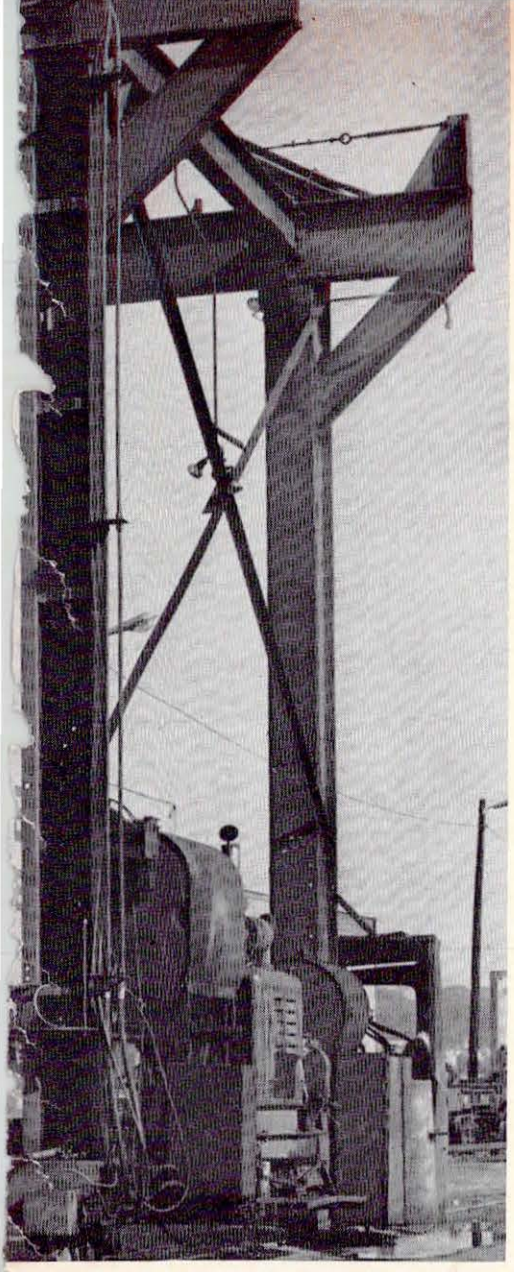
● **Word to railroads.** But, Burke continues, the industry has to take the first step: "Must the shippers be waited for? Will they make the first move in gaining the advantages of this type of operation? The Southern experience says 'No'.

"There's little risk with the container operation now. The uncertainties of the past have been cleared up. I can't understand why railroads don't move with this. They can easily get cranes, all-purpose units, and chassis. They're all available.

"I say to railroads, if you're still a

HEAVY STUFF, TOO

The Southern's new flatbed trailers are here being loaded with heavy castings for movment in the road's rail-highway service. The strong, sturdy units are designed for fast and easy loading.



LESS-CARLOAD TRAFFIC

Rail-highway containers are here backed in at the Southern's LCL consolidation center in Birmingham, Ala.

CONTAINERS FOR ALL NEEDS

Shippers are offered a variety of containers by the Southern. Above, left, is one 20-ft long; the other two are 10-ft long. The road also has 5- and 40-ft containers.

"Vast amounts of traffic moving by highway are subject to railroad recapture as the use of containerization increases."

W. Graham Claytor, Jr.

"I don't see any reason why the Southern Railway shouldn't have a continuing growth in rail-highway traffic volume."

William V. Burke

doubting Thomas, go out and buy an equal amount of equipment with attached running gear and see what it costs. See the gap grow between these costs and the costs of our type of operation.

"With containerization is created this potential efficiency in rail-haul: the feasibility of total coordination with the highway carrier. The motor carrier is always involved.

"As technology improves, sound business management dictates that trucking managers and highway users take a second or third look at the great efficiency possible from rail/highway."

Technology is not, of course, the beginning and the end of the Southern success story. "To sell effectively," says Burke, "you have to know how to put highways and railways together. Our rail-highway department is staffed mainly by people from the trucking industry and from industrial traffic management with experience in private carriage. Growth doesn't just happen; you make it happen by doing your homework, by learning where the market is; by selling it with experienced people."

● **1969 looks good.** On the basis of all this, Southern looks for another good rail-highway year. Burke says: "I don't see any reason why we shouldn't have a continuing growth in rail-highway traffic volume." A good percentage of that growth will come from private motor carriers, namely industries operating their own trucks, he believes. As their equipment depreciates and costs climb, such movers "will have to look at the potential savings of the rail-highway service available from rails."

President Claytor agrees: "The outlook for 1969 clearly indicates still further growth. Additional equipment is on order to help in handling the anticipated increase in this traffic.

"Southern intends to keep promoting such developments actively in its own territory and has made known its willingness to work closely with connecting carriers on interline movements of containerized freight."

● **Some frustration.** Burke admits he feels a little frustrated at the apparent reluctance of other railroads to move in, especially those connecting with Southern.

"We grant that such action on their part would help us. But we honestly feel, too, that it would help them and shippers as well, by giving them the COFC advantages . . . We think some of them will begin to move in that direction this year." It should be pointed out that this statement was made in a Railway Age interview in 1965. Burke's philosophy hasn't changed, nor has his conviction that it's the right one. ■

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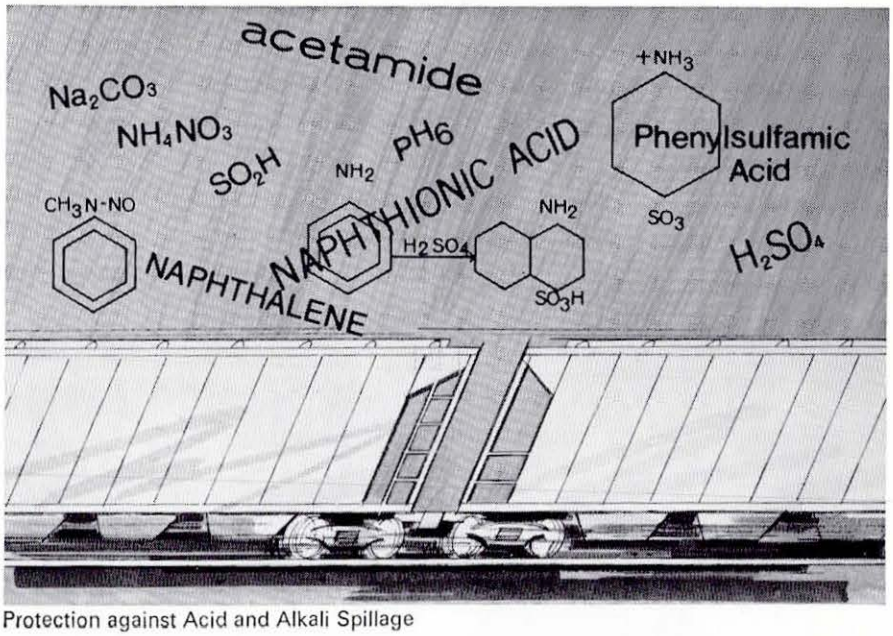

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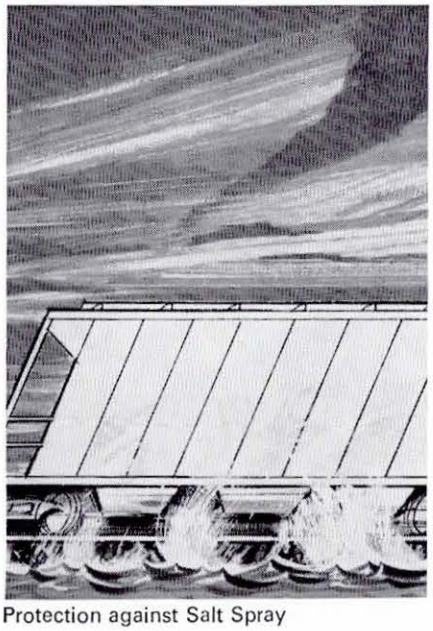
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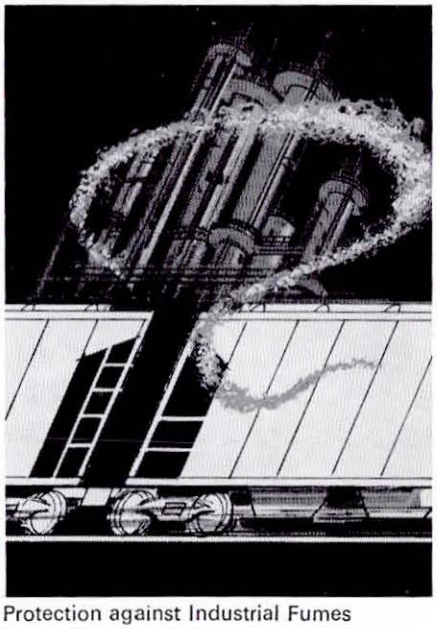
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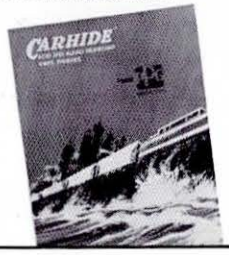

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Shipper proposes new national transport policy

JAMES V. SPRINGROSE, of Cargill, Inc., says "some phases of transportation should be stowed in the Smithsonian."

People in the transportation business do a lot of thinking and a lot of talking about transportation policy, and about changes that ought to be made. Everybody seems to have a pet project, and it isn't often that railroad people, truckers, air carriers and water carriers can get together, even on the basics of transport policy. Sometimes, it almost seems that intermodal battles obscure the broad interest—otherwise known as the public, or customer, or consumer interest. Now, an eloquent plea for new and broad transport policy comes from a traffic man with impressive credentials as an innovator—James V. Springrose, transportation vice president of Cargill, Inc., the Rent-A-Train people. This is Springrose's dissection of the present "national transportation policy"—and his proposal for a new policy, as outlined at the recent National Transportation Institute of the Transportation Association of America held in Chicago.

"Our concern should be that the law has positive intent and a broad-enough scope to allow the full economic realization of technological advance.

"In many respects, the law has an acceptable blend of desirable elements, but in important areas we are confronted with language susceptible to negative interpretation and negative results.

"Negative language is not necessarily detrimental—witness the Ten Commandments, and the positive results society has attributed to them.

"In contrast, there are no 'thou shalt nots' in the national transportation policy. Yet out of that policy has developed a negativism that has gone so far as to discourage transportation executives from even trying innovations.

"The policy says: 'It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this Act, . . .'

"So far so good, except for the observation that Congress evidently has no policy with respect to the transportation of vast segments of the U. S. economy.

"The policy continues: '. . .so administered as to recognize and preserve the inherent advantages of each; . . .'

"First of all, I don't think we should preserve anything. Some phases of transportation, which we experience daily, should be pickled and stowed in the Smithsonian Institution. Truly inherent advantages are self-preserving. Yet, out of that phrase have evolved countless volumes of briefs, reports, orders, appeals and court rulings, to say nothing of the cost in manpower, dollars and progress. Decisions based on existing language have given us several principles: 'umbrella rate making,' 'allocation of traffic,' 'lower than necessary to meet competition.' All are negative from an economic point of view, and all deny the attainment of optimum price/service ratios for the general public.

"Continuing with the policy: '. . . to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; . . .'

"Often in the past the word 'foster' has been interpreted by many, both within and outside the Commission, to mean 'dictate' economic conditions. The hangup comes from the balance of the phrase, 'among the several carriers'; in reality what is 'sound' for one is not sound for another. This policy was added in 1940. Had it been in the original Act of 1887, I can visualize our still trying to 'foster sound eco-

Here's the new National Transportation Policy, as suggested by Cargill, Inc.'s James V. Springrose

"It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this Act; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair competitive practices; to cooperate with the several states and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions—all to the end of continually developing and coordinating a national transportation system capable of meeting the needs of the commerce of the United States, of the Postal Service, and of the national defense. All of the provisions of this Act shall be administered and enforced with a view to carrying out the above declaration of policy within the public interest."

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LUTHER MILLER

AS THE EDITOR SEES IT

AN IMPORTANT TRIP TO CAPITOL HILL—The decision of the AAR to take the passenger-train issue to Congress, on a firm but friendly either/or basis, is sensible, courageous—and long overdue. It is a tribute to the present leadership of the AAR that this troublesome question is being taken out of the railroad closet of skeletons and into (one hopes) a climate of reason and common sense.

WHAT RAILROADS ARE ASKING—The term "subsidy," though quite respectable in its dictionary definition ("a government grant to assist a private enterprise deemed advantageous to the public") has acquired a more pejorative meaning in this country—and for good reason, considering the frequent abuses attending its application. Something-for-nothing, the average taxpayer would call it. Indemnification ("to make good a loss") would be a better word to apply to the railroad proposal. For that is all the railroads are asking; they don't propose to make a farthing on the deal.

WHAT THEY MAY GET—It is our great hope that Congress will be receptive to the AAR's proposal—and begin to do in small part for the railroad passenger what has been done in such large part for the highway and the airway traveler. Strong opposition can be expected from the profits-be-damned club, which has one or two members at the ICC. Their contention is that railroads, as quasi-public corporations, are obliged to operate services for "the public convenience and necessity" at whatever the cost—and slap the freight shipper, and ultimately the consumer, with the bill. If there is a quicker road to nationalization, no one has thought of it. There are good answers to this argument; the AAR has them; Congress will get them.

WHAT THEY ARE CERTAIN TO GET—It seems to us that this trip to Capitol Hill is bound to pay off for the railroads—whatever the final answer of Congress is. What railroads are certain to get, if and when the legislation comes to the hearing stage, is a thorough airing of all railroad problems. You can't separate the passenger-train problem from the problem of lopsided government favoritism; from the problem of outmoded and onerous work rules; from the right of all citizens, including the passenger, to the most efficient transportation technology can offer. This kind of hearing is also long overdue. And for once, maybe our Congressmen—some of whom reputedly believe that freight trains are contrivances used to keep the rails polished for passenger streamliners—will listen.

nomic conditions' for the overland stage.

"The policy further states: '. . . to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; . . .'

"Any competitive practice can be described as 'destructive' of the competitor, even though such practices are eminently fair and in the public interest.

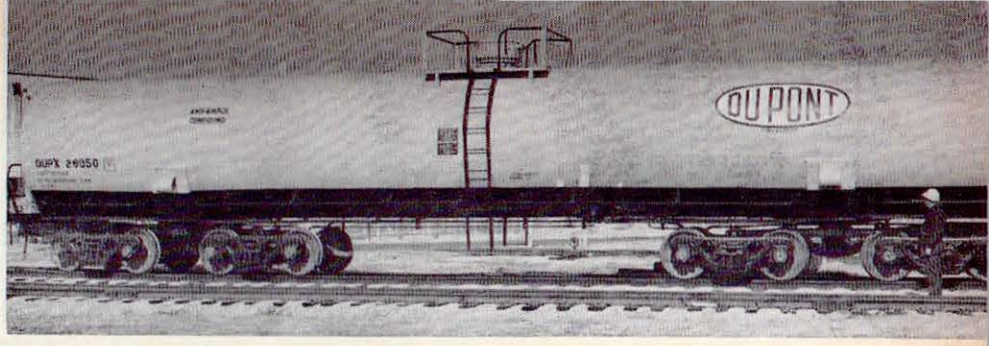
"The policy then goes on to encompass states rights, wages and working conditions and concludes: '. . . all to the end of developing, coordinating, and preserving a national transportation system by water, highway and rail as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and the national defense. All of the provisions of this Act shall be administered and enforced with a view to carrying out the above declaration of policy.'

" 'Preserving' has reappeared, but my attitude toward it has not changed. Aside from that, this conclusion tends to draw attention away from the public interest and has emphasized competing carrier interest. The public, which ultimately pays for it all, is entitled to expect more from a policy of Congress.

"I believe that in recent years the Commission has recognized this negativism and has been using the latitude in the Act to interpret it in a positive way. This is particularly noticeable since the Kennedy message on transportation was sent to Congress in 1962. Congress did not do much with it, but as a former chairman of the Commission said to me, 'Nevertheless, we got the message.'

"That was some time ago, and amid the pressures and protests coming from all sides, it would not surprise me if that particular dedication is wearing thin. It is time to reaffirm to the Commission that Congress and the transportation industry approve and support a positive course of action. We should now reiterate the position that we need bold and imaginative thinking among those who regulate as well as among those who transport.

"The 91st Congress can so indicate by revising the national transportation policy to eliminate the language susceptible to negative interpretation, and make it truly a positive policy. I am not suggesting that minor changes of wording will be a cure-all. But the statement of a positive policy must necessarily be the first of many steps within the specific provisions of the Act, if that law is to keep pace with the modern art of transportation." ■



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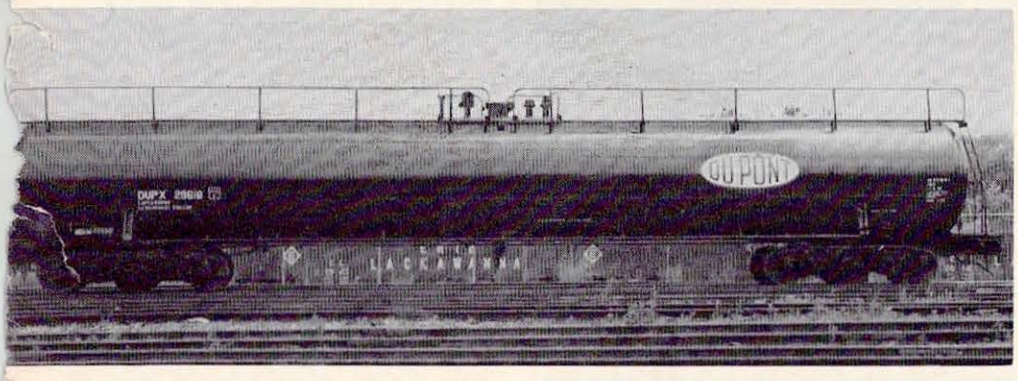

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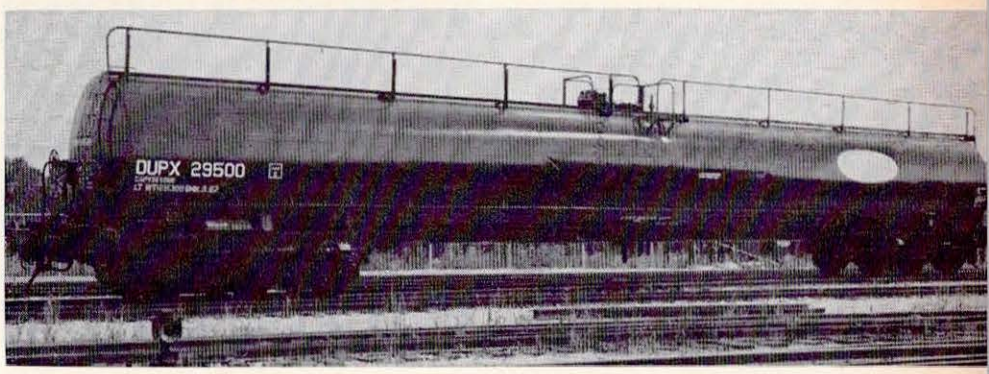

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Actually the benefits are two-fold because railroads, with fewer, bigger cars to handle, are also in a position to better control their costs. And from the beginning, Du Pont traffic officers stress, the introduction of the high-capacity tank car has been a joint effort with the railroads that handle Du Pont chemical traffic.

● **Biggest of the big.** The trend to giantism culminated earlier this month with the introduction of the largest DUPX tank car yet put in service. This 200-ton, 43,600-gallon model is the first of 70 such cars now being delivered by General American Transportation and ACF's Shippers' Car Line Division.

While these are not the first 200 tonners for Du Pont, the eleven which have been in service for several months (ten more of that same type are on order) have insulated tanks which hold only 27,800 gallons—the capacity fixed by the greater density of the liquids which they are designed to transport.

These big bulk liquid carriers must be tailored to the commodity which they are to carry with tank size and insulation, if any, carefully developed. Du Pont engineers agree that the liquids of lower density are usually the most difficult to accommodate—particularly in ultra-high-capacity cars.

● **Varying densities.** The range of products moved weigh from just over 6 to over 13 pounds per gallon and are normally identified as "basic intermediates" in the parlance of chemical engineers. Moving in the tank cars of 125-, 150- and 200-ton capacity are anhydrous hydrofluoric acid, acetic anhydride, acrylonitrile, ethylene glycol, hexamethylene diamine, tetrahydrofuran, and motor fuel antiknock compound. The hazardous rating associated with the shipping of most of these ma-

ARE THERE TOO MANY SHIPPER ASSOCIATIONS?

in for much criticism, it is for the most part constructive. Two of the responding shippers say bluntly that the Boards have outlived their usefulness, and ought to be retired to the graveyard. But a solid majority think the Boards have an important and irreplaceable role to play as a meeting ground for carriers and their customers—and ought to be strengthened.

● **Different roles.** A number of shippers make the point that both NITL and the Shippers Boards have their own, different roles to perform. As J. E. Phelan, general traffic manager, Anheuser-Busch, Inc., St. Louis, puts it: "With regard to the National Industrial Traffic League, if this organization did not exist, it would have to be invented because it is that important."

Phelan goes on to recall that "the Regional Shippers Advisory Boards had their beginning in the 1920's, at a time when there was great misunderstanding between railroad operating people, traffic people and industrial traffic people. These boards brought together and allowed the people in these differing areas to air their views, learn of each other's purpose and arrive at a better understanding; the Regional Boards have performed and continue to perform a great service. Through my association in my particular regional board, I have met railroad operating and railroad traffic people that I would not have otherwise had the opportunity of meeting, and I value their counsel, advice and friendship.

"The Regional Advisory Boards are well supported by the railway people in the operating and traffic departments; however, I regret to say that the shipper support leaves much to be desired. And I feel that many of the smaller and larger shippers miss a great opportunity through their lack of participation," says Phelan.

● **"Apathy reigns supreme."** Among numerous other shippers who complain of too-little participation is R. F. Treptow, general traffic manager, H. D. Lee Co., Shawnee-Mission, Kans. "The few people who actively work, shipper and carrier alike, get much good from such work; apathy reigns supreme in most cases, however, causing others to lose interest eventually, too," says Treptow.

Paul J. Wellnitz, distribution manager, Union Carbide Corp., San Francisco, agrees that "there are always a few people who do the work whether it is amongst us shippers or with the railroads."

● **Strengthening the boards.** How can the Advisory Boards be strengthened? A number of shippers have specific suggestions.

"Reduce meeting time to one day—have carriers and shippers meet and discuss problems together — eliminate guest speakers," suggests H. D. Pollen, traffic manager, P. Ballantine & Sons, Newark, N.J., who notes: "Pressure of today's business does not warrant two-day meetings."

"Little or no advanced preparation by those attending" is the diagnosis of the problem given by L. D. Olsen, general traffic manager, Kaiser Gypsum Co., Oakland, Calif. He proposes that an agenda be published in advance of meetings.

"Many of the stale, old formats followed by the advisory boards for years must be changed, and I have seen this happening during the past year or two," says Paul W. Gosling, regional traffic manager, F. W. Woolworth Co., Minneapolis. "In our Northwest Board we are covering problems of current interest—matters that affect us in our every-day transportation."

H. J. Rogers, director of traffic for Heublein, Inc., Hartford, Conn., feels that higher-level participation by railroad men would help: "Shippers Advisory Board meetings do not have representation from the railroad presidents . . . If a higher echelon of carrier officers cannot consistently participate in meetings, some sort of media should be established to supplement the printed proceedings wherein comments of railroad presidents or board chairmen can be circulated."

Board activities are not sufficiently well publicized, in the view of Keith M. Brown, assistant traffic manager, Spreckels Sugar Co., San Francisco: "Shippers Advisory Boards urgently need a continuing promotional campaign to alert shippers to the value to be gained from attendance and participation. Shippers of all sizes must be made aware of the existence and purposes of the boards. Reliance on word of mouth or guest invitations is not enough. A planned advertising program on a continuing basis should be developed and executed by the executive committees and the field secretaries."

John B. Hedges, traffic and export manager for the Manufacturers Association of Connecticut, West Hartford, sees "a crying need for two things in the Shippers Advisory Boards: (1) more shipper involvement and (2) more carrier response to problems raised by shippers at board meetings. Promises at a board meeting are one thing, but translating them into action to improve car handling, meet freight schedules and secure a car supply seems to be something else."

● **Do carriers really care?** The complaint of inadequate carrier response to shipper problems runs strongly through the February Poll.

"The carriers don't pay much attention to anyone but themselves. They all too frequently turn deaf ears to shippers' suggestions and ideas," grumbles W. A. Datre, traffic manager, the Mennen Co., Morristown, N.J.

"The carriers are interested in learning the positions taken by the associations but infrequently make constructive suggestions for better programs," echoes L. B. Harmon, director of traffic, Kaiser Aluminum and Chemical Corp., Oakland.

"The carriers, as a group, have failed to use the shippers' associations as a means of two-way communication," asserts Phillip T. Catalano, traffic and distribution manager, Steelcase, Inc., Grand Rapids, Mich. "Too often it ends up with the carriers fighting the shippers' association or vice versa when this should not be so."

And from Walter J. Vukin, director of traffic, Fruehauf Corp., Detroit: "The carriers appear to want to hear about and take constructive action on complaints, but usually fail until forced to act through ICC procedures."

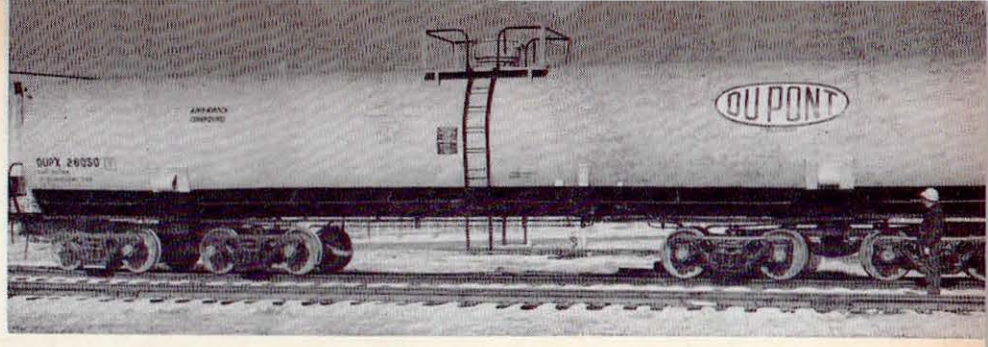
In the opinion of Charles T. Coy, general traffic manager, Eli Lilly and Co., Indianapolis, "The carriers could save themselves many adversary proceedings by making a sincere effort to cooperate with shipper associations in rate and service matters."

● **Too many associations?** Although most of the February Poll replies deal with the two major shippers' groups, 35 of the 75 respondents listed memberships in other associations.

One of these is G. E. Mayfield, manager of traffic for American Oil Co., Chicago, who lists memberships in the American Petroleum Institute and the Illinois Territory Manufacturers' Traffic League as well as his Regional Shippers Advisory Board and the NITL.

"It has long been our conclusion," says Mayfield, "that there are more associations than are justified. Consequently, duplication involving additional work load results."

He doubts that the Shippers Boards "are fulfilling their destiny" and suggests that "this unhappy situation is a result of lack of participation by a significant section of the industry, which in turn probably follows the fact that too many associations exist." ■



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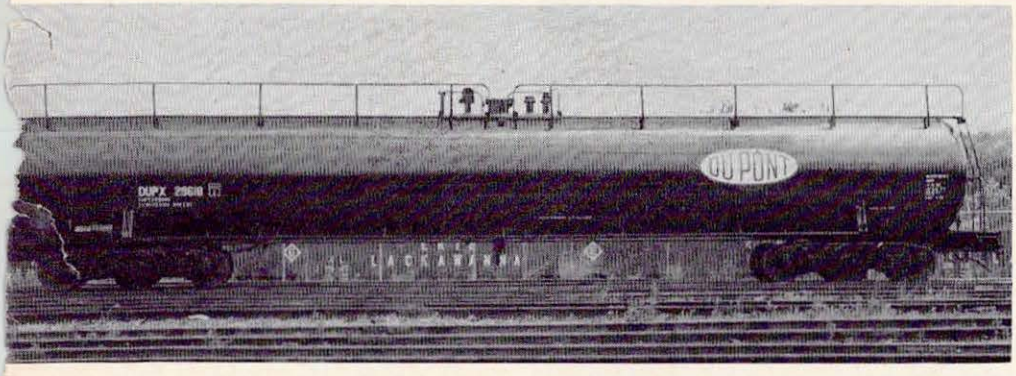

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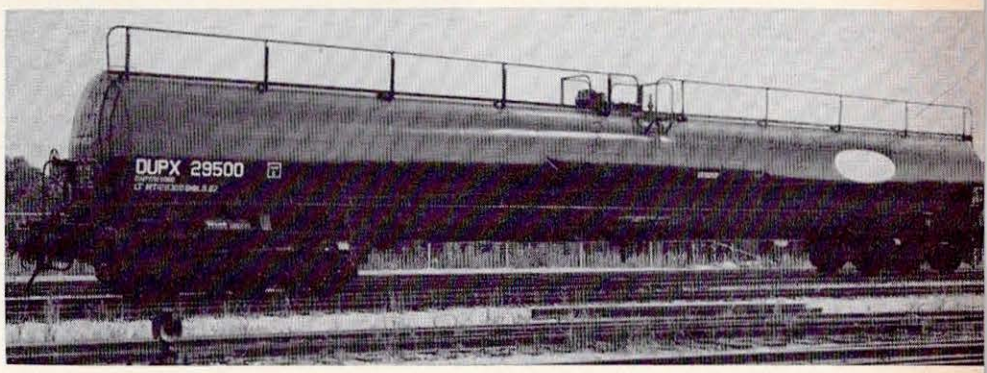

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terials introduces an additional factor into Du Pont's big car designs.

● **Variety of cars.** Both configurations of Du Pont's 200-ton tankers are carried on pairs of 100-ton, two-axle trucks under span bolsters at each end of the car. This eight-axle arrangement is the latest of the high-capacity running gear designs to go under Du Pont's big bulk liquid rail carriers. Already in service are the following heavy tank cars.

—40 four-axle, 125-ton cars of 28,000-gallon capacity;

—75 six-axle, 150-ton insulated cars of 38,700-gallon capacity;

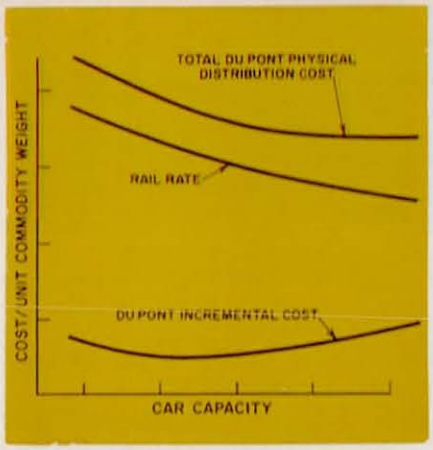
—43 six-axle, 150-ton cars of 42,900-gallon capacity.

Variations in the interchange acceptibility of the 125-ton, two-axle truck has caused Du Pont engineers to turn from this arrangement to the 150-ton, three-axle truck and, more recently, to the span-bolster design using four conventional 100-ton, two-axle trucks under a car.

When all deliveries of the eight-axle, 200-ton tank cars are completed, the DUPX fleet of outsize (over 100-ton) tankers will total almost 250 units, representing nearly 6% of the tank cars and 15% of the liquid-carrying capacity operated by Du Pont. In less than a decade the DUPX car fleet (75% tank cars now) has jumped by 50% with growth almost exclusively in tank cars holding more than 20,000 gallons and covered hoppers with capacities topping 4,000 cubic feet. Until two years ago, these new cars were almost inevitably of the four-axle type—a pair of 100-ton trucks.

● **Volume rates.** Late in 1965 railroads, faced with potential sea movement of bulk chemicals from the Gulf area to the East Coast, began to investigate incentive rates with chemical shippers. What evolved were a series of volume tariffs on chemicals calling for progressive rate reductions when movements topped 50,000 tons, 100,000 tons and 180,000 tons annually. By the time the railroads published these volume rates in the summer of 1967, Du Pont already had on order the first of the tank cars complying with the new tariffs.

● **Multimillion-dollar customer.** Du Pont ships approximately 7 million tons by rail yearly, and incurs $11 million in car expenses. While some shippers are prone to think only of potential freight savings when volume tariffs are offered, this is not the case with the Du Pont Traffic Department, which is responsible for running and maintaining the car fleet. This group's analysis of a chemical movement involves a complete physical distribution cost evaluation from production line to end use. The economics of other modes—truck and water—are also evaluated.



TYPICAL STUDY to determine economical car size involves combination of freight charges and incremental costs—maintenance, depreciation, and plant facility alterations and labor costs.

The largest car is not always the most economical. Du Pont's incremental costs in going to progressively larger tank cars include car maintenance, depreciation and interest, plus the loading, unloading and sampling expense. In some cases, the modification of facilities inside plant gates may not be justified by the potential savings in freight charges outside them.

Once a car study has progressed to the stage where it indicates the most desirable size, it is still necessary to insure that the proposed car can be operated over the routes which it will have to traverse. Axle-load and axle-spacing (Cooper rating) problems, initially found to restrict some movements, can sometimes be resolved at this stage. In one case where the Cooper rating of a bridge would have been exceeded, the railroad beefed up the structure to permit the big cars to use the line without restriction. In another case, Du Pont redesigned axle spacings to make the cars acceptable.

Actually, the 200-ton tank cars with their span-bolster running gear are very flexible and present fewer problems than some of the longer two-truck designs. Du Pont finds that they have definite advantage from a coupling standpoint.

● **Safety always.** As in every other aspect of the company's operations, safety is a major consideration in Du Pont's big-car programs. While there is concern about the accident potential for any of its tank cars and the products they carry, there is particular concern over extremely hazardous commodities. Despite the explosive, corrosive or poisonous nature of many of their liquid products, chemical industries generally have a good safety record and work assiduously to keep it that way.

Decisions to move larger quantities of hazardous products in individual cars was not a major concern at Du Pont. Actually there is an advantage because, as the Traffic Department sees it, the big car represents fewer "exposure hours" per unit shipped — reduced chance for any sort of accident. "We would rather ship one 40,000-gallon tank car than four 10,000-gallon cars," observes a Du Pont engineer.

The goal is to produce a structure which will give at least the same performance as cars that have survived accidents. This requires an answer to the question: "What happens to a car when it is in an accident?"

● **Look at the record.** Du Pont examined comprehensive records from one group of pressure cars carrying a single commodity over a period of 20 years.

Du Pont stresses that never had there been a tank rupture in any of the accidents studied. Most frequent cause of damage was rolling over, followed by dome impact, underframe impact, and tank impact.

The stress analysis, based on Du Pont accidents statistics, has led to heavier construction in some areas of the cars. Whenever there is concern about a lading, the design is proportioned so that a severe impact will cause the external tank attachments such as bolsters, sills, or brake components to tear from their mountings, leaving the tank and its contents intact.

● **Satisfactory service.** While most of the big cars are operating between the Gulf and East Coasts, there is some transcontinental movement. The 150- and 200-ton tank cars have proved to be free running over their planned routes and there have been no operating problems. They are also demonstrating their ability to keep costs down.

Frequently benefits being claimed for higher-capacity freight cars ignore the problems of deploying the smaller units which are being displaced. This is a problem fully appreciated by Du Pont's Traffic Department; the strategy and timing of the cars must be worked out along with their physical design.

About 40% of Du Pont's fleet is operated under conventional leases; the remainder of the cars are owned outright or have been acquired under long-term finance leases which make Du Pont responsible for them for their service lives. Some of the high-capacity cars have been assigned to completely new movements. Others, however, are making it necessary to return to owners the low-capacity cars which have been on short-term leases or to reassign the smaller cars to other moves. Cautions Du Pont's Traffic Department on big cars: "There is always the risk you can wind up with cars which cannot be deployed economically, unless the new-car program is carefully worked out." ■

TRAFFIC POLL

When shippers meet...

There is no shortage of shipper (or shipper/carrier) meetings. But are they really worthwhile? Seventy-five men-who've-been-there offer some blunt views.

Can shippers' associations do a more effective job for their members?

"Yes—if," is the qualified response of 75 leading shippers replying to Railway Age's February Traffic Poll, which asked:

(1) Are your interests effectively represented by one or more associations—specifically, the 13 Regional Shippers Advisory Boards, and the National Industrial Traffic League?

(2) How can the effectiveness of these associations be increased?

(3) Is sufficient interest and participation shown by (a) the shippers themselves and (b) the carriers?

The 75 responding shippers represent 50 memberships in Advisory Boards and 65 memberships in the NITL. Only four shippers find all associations completely ineffective. About half of those responding feel that neither shippers nor carriers participate fully enough.

● **NITL scores high.** The National Industrial Traffic League scores consistently high marks for effectiveness in representing shipper interests; the Advisory Boards come off a poor second. This is not an entirely surprising result, however, as NASAB President L. K. Mathews points out in his own thoughtful reply to the February Poll—because the League, unlike NASAB, supports a highly structured, permanent executive staff (see box).

But while the Advisory Boards come

One strong vote for the Advisory Boards

"The National Industrial Traffic League is, of course, more effective than the Shippers Advisory Boards, including the National, if for no other reason than they have a paid staff in Washington, D. C. Also, the NIT League has available a highly competent law firm. The League is especially effective in the presentation of the shipper's point of view in rate cases before the Interstate Commerce Commission. The League, in my judgment, has become relatively impotent in recent years in advocating transportation legislation before the Federal Congress. The Transportation Association of America is much more persuasive in the transportation legislation field than is the League.

"The Shippers Advisory Boards have no paid staff except for the limited participation of the Car Service Division of the Association of American Railroads. The Advisory Boards count for their effectiveness on the voluntary cooperation between the railroads and the shippers. The Boards have been and are effective, in my judgment, in zeroing in on such problems as clean cars, car efficiency, freight loss and damage, and small shipment handling. It will be argued, of course, that all the Boards do is talk about these problems without solving them. This may or may not be true, but the real question is how much worse would the problems have been had the Boards not at least taken a crack at trying to solve them. I take the position that it is worthwhile to cooperate with the railroads and other shippers in trying to improve railroad service and car supply. Many of the giant industrial corporations, I am sure, believe that they have enough power to effectively deal with the railroads without any help from Shippers Advisory Boards.

"The rail lines show much more interest in the Boards than do the shippers themselves. I urge shippers to become more active and interested in the Shippers Advisory Boards. I frankly don't know what the future of the Shippers Advisory Boards movement is. They may go out of existence. I don't want to see happen to the thirteen Regional Advisory Boards and the National Board what happened recently to the St. Louis Chapter of the Association of Interstate Commerce Commission Practitioners. That organization was just abandoned and the charter returned to the National Association.

"The Shippers Advisory Boards are rich in tradition, but maybe that is not enough to make them a viable instrument of our national transportation system. Only time will tell."

—L. K. Mathews, General Traffic Manager, Missouri Portland Cement Co.; President, National Association of Shippers Advisory Boards.

ARE THERE TOO MANY SHIPPER ASSOCIATIONS?

in for much criticism, it is for the most part constructive. Two of the responding shippers say bluntly that the Boards have outlived their usefulness, and ought to be retired to the graveyard. But a solid majority think the Boards have an important and irreplaceable role to play as a meeting ground for carriers and their customers—and ought to be strengthened.

● **Different roles.** A number of shippers make the point that both NITL and the Shippers Boards have their own, different roles to perform. As J. E. Phelan, general traffic manager, Anheuser-Busch, Inc., St. Louis, puts it: "With regard to the National Industrial Traffic League, if this organization did not exist, it would have to be invented because it is that important."

Phelan goes on to recall that "the Regional Shippers Advisory Boards had their beginning in the 1920's, at a time when there was great misunderstanding between railroad operating people, traffic people and industrial traffic people. These boards brought together and allowed the people in these differing areas to air their views, learn of each other's purpose and arrive at a better understanding; the Regional Boards have performed and continue to perform a great service. Through my association in my particular regional board, I have met railroad operating and railroad traffic people that I would not have otherwise had the opportunity of meeting, and I value their counsel, advice and friendship.

"The Regional Advisory Boards are well supported by the railway people in the operating and traffic departments; however, I regret to say that the shipper support leaves much to be desired. And I feel that many of the smaller and larger shippers miss a great opportunity through their lack of participation," says Phelan.

● **"Apathy reigns supreme."** Among numerous other shippers who complain of too-little participation is R. F. Treptow, general traffic manager, H. D. Lee Co., Shawnee-Mission, Kans. "The few people who actively work, shipper and carrier alike, get much good from such work; apathy reigns supreme in most cases, however, causing others to lose interest eventually, too," says Treptow.

Paul J. Wellnitz, distribution manager, Union Carbide Corp., San Francisco, agrees that "there are always a few people who do the work whether it is amongst us shippers or with the railroads."

● **Strengthening the boards.** How can the Advisory Boards be strengthened? A number of shippers have specific suggestions.

"Reduce meeting time to one day—have carriers and shippers meet and discuss problems together — eliminate guest speakers," suggests H. D. Pollen, traffic manager, P. Ballantine & Sons, Newark, N.J., who notes: "Pressure of today's business does not warrant two-day meetings."

"Little or no advanced preparation by those attending" is the diagnosis of the problem given by L. D. Olsen, general traffic manager, Kaiser Gypsum Co., Oakland, Calif. He proposes that an agenda be published in advance of meetings.

"Many of the stale, old formats followed by the advisory boards for years must be changed, and I have seen this happening during the past year or two," says Paul W. Gosling, regional traffic manager, F. W. Woolworth Co., Minneapolis. "In our Northwest Board we are covering problems of current interest—matters that affect us in our every-day transportation."

H. J. Rogers, director of traffic for Heublein, Inc., Hartford, Conn., feels that higher-level participation by railroad men would help: "Shippers Advisory Board meetings do not have representation from the railroad presidents . . . If a higher echelon of carrier officers cannot consistently participate in meetings, some sort of media should be established to supplement the printed proceedings wherein comments of railroad presidents or board chairmen can be circulated."

Board activities are not sufficiently well publicized, in the view of Keith M. Brown, assistant traffic manager, Spreckels Sugar Co., San Francisco: "Shippers Advisory Boards urgently need a continuing promotional campaign to alert shippers to the value to be gained from attendance and participation. Shippers of all sizes must be made aware of the existence and purposes of the boards. Reliance on word of mouth or guest invitations is not enough. A planned advertising program on a continuing basis should be developed and executed by the executive committees and the field secretaries."

John B. Hedges, traffic and export manager for the Manufacturers Association of Connecticut, West Hartford, sees "a crying need for two things in the Shippers Advisory Boards: (1) more shipper involvement and (2) more carrier response to problems raised by shippers at board meetings. Promises at a board meeting are one thing, but translating them into action to improve car handling, meet freight schedules and secure a car supply seems to be something else."

● **Do carriers really care?** The complaint of inadequate carrier response to shipper problems runs strongly through the February Poll.

"The carriers don't pay much attention to anyone but themselves. They all too frequently turn deaf ears to shippers' suggestions and ideas," grumbles W. A. Datre, traffic manager, the Mennen Co., Morristown, N.J.

"The carriers are interested in learning the positions taken by the associations but infrequently make constructive suggestions for better programs," echoes L. B. Harmon, director of traffic, Kaiser Aluminum and Chemical Corp., Oakland.

"The carriers, as a group, have failed to use the shippers' associations as a means of two-way communication," asserts Phillip T. Catalano, traffic and distribution manager, Steelcase, Inc., Grand Rapids, Mich. "Too often it ends up with the carriers fighting the shippers' association or vice versa when this should not be so."

And from Walter J. Vukin, director of traffic, Fruehauf Corp., Detroit: "The carriers appear to want to hear about and take constructive action on complaints, but usually fail until forced to act through ICC procedures."

In the opinion of Charles T. Coy, general traffic manager, Eli Lilly and Co., Indianapolis, "The carriers could save themselves many adversary proceedings by making a sincere effort to cooperate with shipper associations in rate and service matters."

● **Too many associations?** Although most of the February Poll replies deal with the two major shippers' groups, 35 of the 75 respondents listed memberships in other associations.

One of these is G. E. Mayfield, manager of traffic for American Oil Co., Chicago, who lists memberships in the American Petroleum Institute and the Illinois Territory Manufacturers' Traffic League as well as his Regional Shippers Advisory Board and the NITL.

"It has long been our conclusion," says Mayfield, "that there are more associations than are justified. Consequently, duplication involving additional work load results."

He doubts that the Shippers Boards "are fulfilling their destiny" and suggests that "this unhappy situation is a result of lack of participation by a significant section of the industry, which in turn probably follows the fact that too many associations exist." ■

C. E. Mervine, Jr.
SCL

Nelson S. DeMuth
SCL

Aubrey M. Daniel
SCL

Walter P. Barrett
UP

Harold Rees
UP

Fred G. Schurman
UP

PEOPLE IN THE NEWS

NORFOLK & WESTERN.—Robert B. Claytor, vice president–law, Roanoke, promoted to senior vice president. **John S. Shannon,** general solicitor, promoted to general counsel. **John R. Turbyfill,** general attorney, named general solicitor.

C. G. Hammond Jr., general manager, Lake Region, Cleveland, appointed assistant vice president–operations. **W. C. Stevens,** general manager, Western Region, St. Louis, transferred to the Lake Region, Cleveland. **J. R. Neikirk,** assistant general manager, Western Region, St. Louis, promoted to general manager. **Earl R. Hostetter,** chairman and President, **Upper Merion & Plymouth,** appointed assistant to vice president of operations, N&W. **Alva W. Hochberg,** vice president, **Akron, Canton & Youngstown,** N&W subsidiary, named assistant to the vice president–operations, N&W, effective Jan. 1, 1969. All other appointments effective Dec. 1. **Edward F. Murry,** assistant general manager, Atlantic Region, transferred to the Western Region, St. Louis. **C. W. Dod, Jr.,** superintendent, Norfolk Terminal, succeeds Mr. Murry as assistant general manager, Atlantic Region, Roanoke. **W. B. Tanner,** assistant superintendent, Norfolk Terminal, promoted to superintendent there. **M. P. Ratcliff,** division road foreman of engines, Norfolk Division, elevated to succeed Mr. Tanner.

Edward J. Gentsch, purchasing agent, **Penn Central,** joined the N&W Feb 1 as vice president–purchases and stores, Roanoke, Va. **Robert G. Bishop,** manager purchases, retired Jan. 1, after 45 years of service.

David A. Cox, real estate agent–system, named director of real estate Roanoke.

NORFOLK SOUTHERN. — Joseph C. Stevens promoted to purchasing agent, Raleigh, N.C., succeeding **Harry W. Ward,** retired after 47 years with the NS.

PENNSYLVANIA - READING SEASHORE LINES.—Desmond C. Gotschall appointed industrial agent, Moorestown, N.J. succeeding **Charles W. Omrod,** retired. Mr. Gotschall was formerly manager of industrial development, **Penn Central,** Buffalo, N.Y.

SEABOARD COAST LINE.—Charles E. Mervine, Jr., director of labor relations, Jacksonville, Fla., named assistant vice president–personnel. **Josiah A. Stanley, Jr.,** comptroller, elected vice president and comptroller, Jacksonville. **W. Eli Hand,** vice president–accounting, retired Dec. 31. **Nelson S. DeMuth,** general manager rates, appointed assistant vice president–pricing, Jacksonville. **John D. Taylor,** assistant general manager rates, promoted to general manager rates. **Aubrey M. Daniel,** assistant to vice president, named assistant vice president – freight traffic, Jacksonville.

J. J. Stockard, assistant general manager–transportation, Jacksonville, retired Jan. 2, after more than 46 years of service.

R. M. Nicol, assistant general solicitor, Tax Division, Jacksonville, promoted to general solicitor, in charge of that division. **E. R. Williams** named attorney, Jacksonville.

W. T. Shearin appointed assistant general freight agent, Jacksonville. **W. L. Petrie** named district sales manager, Birmingham, Ala. **R. J. Fletcher** appointed general agent, Mulberry, Fla.

SOUTHERN FREIGHT ASSOCIATION.—B. C. Lassetter elected member, Standing Rate Committee, Atlanta, Ga.

SPOKANE, PORTLAND & SEATTLE.—Louis W. Menk elected president. **John M. Budd** elected vice president.

UNION PACIFIC.—Walter P. Barrett elected vice president in charge of rates and divisions, succeeding **Charles O. Showalter,** who has retired after more than 45 years of service. **William J. Sullivan,** freight traffic manager, appointed general manager freight rates. **H. J. Buring,** assistant freight traffic manager, becomes freight traffic manager. **Henry A. Leutenegger** and **John C. Stromberg** assistant freight traffic managers, appointed freight traffic manager (divisions) and freight traffic manager (grain), respectively.

Harold Rees, assistant general mechanical engineer, appointed general mechanical engineer, to succeed **Earl O. Joest,** who retired Dec. 31, 1968, after 49 years' service. **Ralph C. Ahlquist,** assistant engineer of design, replaces Mr. Rees.

Vernon G. DeBar appointed assistant treasurer, New York. Previously he was chief clerk to assistant treasurer, Omaha.

Barry B. Combs
UP

Harold L. Ward
WM

Carl L. Elsasser, C. W. Mallett, and **Robert O. Melcher** appointed assistant freight traffic managers, Omaha. **Richard T. Corson** appointed assistant freight traffic manager (rates), Los Angeles. **Robert L. Christensen** becomes general freight agent, Omaha. **Kenneth L. Chard, Fred W. Howland,** and **Daniel E. Miller** appointed general freight agents (rates), with headquarters at Portland, Ore., Chicago and Portland, respectively. **Adrian H. Schipper** named assistant general freight agent (rates), Boise, Ida.

G. M. Hower named assistant general purchasing agent, Omaha. **R. J. Thielen** and **W. M. Andresen** named assistant general storekeepers, Omaha.

Fred G. Schurman, district engineer, South-Central district, appointed assistant chief engineer-staff, Omaha.

Barry B. Combs, public relations representative, named director of public relations, with headquarters continuing in Omaha. Mr. Combs' successor is **Richard J. Lohr,** office manager, public relations.

WESTERN MARYLAND.—Harold L. Ward, assistant to president, Baltimore, appointed secretary and treasurer of the WM and its subsidiaries, succeeding **Edward C. Lanahan,** who has requested early retirement.

WESTERN TRUNK LINE COMMITTEE.—George P. Hodges, assistant to chairman, appointed a member of the organization's Standing Rate Committee.

OBITUARY

George Zabriskie, 78, former vice president–traffic **New York, Ontario & Western,** New York, died Feb. 5 at his home in Atlantic City, N.J.

Here come the Russians into the new railway age

While America is taking track up—thanks to brutal rail taxation of a kind virtually unknown to truck lines, air lines, barge lines, bus lines—Russia is putting track down. Over the past 50 years, the Russians have approximately *doubled* the length of their two-track or multi-track line.

And why not?

What else has the volumetric efficiency of a giant railroad diesel (in which for each cubic inch of displacement there is only about half as much opportunity for cylinder wall friction as in a truck engine)?

What else has the easy travel of a train's steel wheel rolling on a steel track (as compared with the heat-producing resistance to flexing of a highway tire—on which you can often fry an egg)?

What else has the guided movement of a rail-based train (which guidance is as basic to transportation automation as it is to factory automation)?

What else has the low manpower needs of a train (compare its multiplicity of towed cars with the driver-for-every-unit case of highway trucks)?

The fact is that if the train had come along *after* the car, truck, airplane, it would have been hailed as a great technical step ahead.

The Russians know railroads are the most efficient form of mass transportation in sight. They act that way.

Do we?

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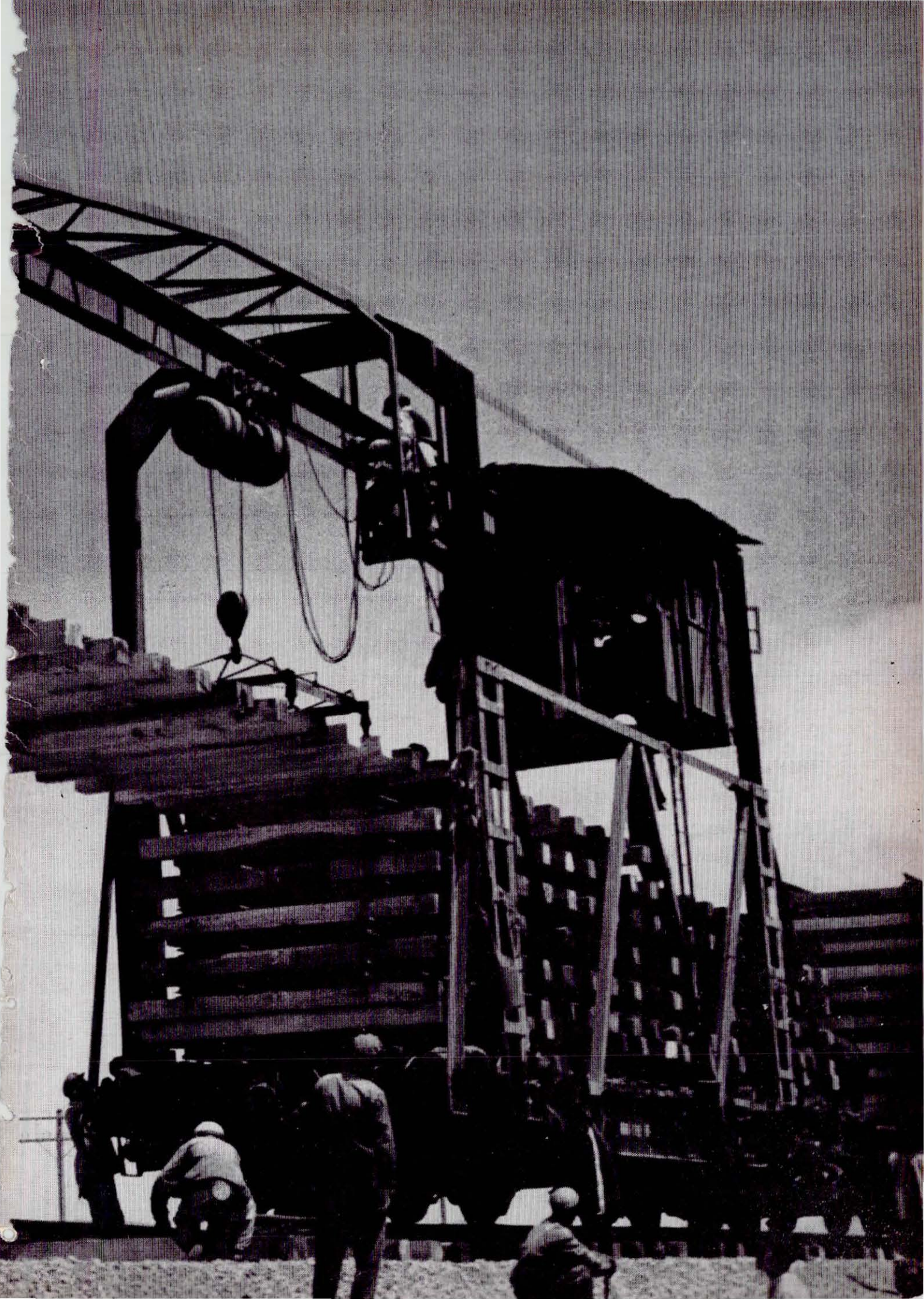
RAILWAY AGE

the transportation weekly



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RAILWAY BOOKSHELF

"Busted and Still Running" tells the story of the famous 2-foot-gauge Bridgton & Saco River Railroad which, after 1926, was the Bridgton & Harrison Railway (Stephen Greene Press, Brattleboro, Vt.; photographs; 58 pp.; $3.95). The author, Edgar T. Mead, Jr., is associated with the stock exchange firm of Vanden Broeck, Lieber & Co., as a security analyst. The volume is packed with rare B&SR-B&H photographs.

•

Two special bibliographies have just been issued by the library of Northwestern University's Transportation Center (Evanston, Illinois 60204; $2 each). "A Bibliography on Economics of Containerization" (50 pp.), includes both domestic and foreign references on containerization for the period January 1965-December 1967. An addendum lists references for January through June 1968. The bibliography is a revision of an earlier work with the same title. It contains over twice the number of references listed in the earlier publication. "Doctoral Dissertations on Transportation—1961-1967" (45 pp.) lists over 400 dissertations on intercity and local transportation and traffic and includes subject and geographic indexes. An addendum lists additional dissertations for December 1967 through June 1968.

•

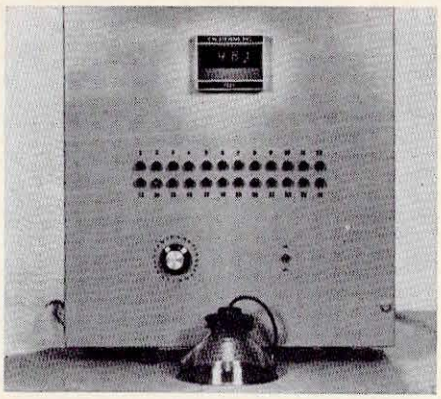
"How to Plan and Organize Work" is the latest publication of the American Management Association (135 West 50th Street, New York, N.Y. 10020; $18 for AMA members, $27 for non-members). The self-instruction technique used in this latest AMA course for managers and supervisors is called Programmed Instruction for Management Education. The six units in the course are: (1) Steps in planning; (2) scheduling work; (3) network scheduling; (4) organizing and delegating; (5) employee development and the total job concept; (6) managing change.

The course, contained in a series of manuals, teaches in a manner much like that of electronic teaching machines, with the student completing answers, and later checking their accuracy. "The more every manager—from the president to the first-line supervisor—knows about planning and organizing the more efficiently he will be able to handle his own responsibilities," says the introduction to the course. "And the more every manager knows about over-all company plans and why and how these are established, the better he will be able to coordinate his work and responsibilities with those in the rest of the company."

•

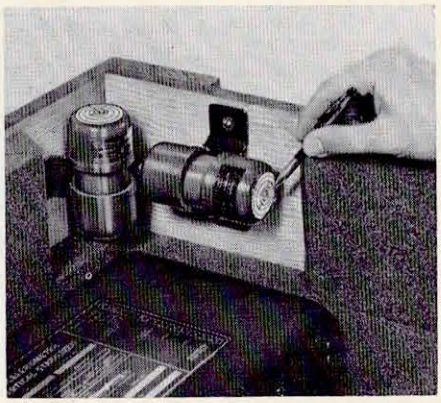
The November 1968 special issue of the "Journal of the Franklin Institute" (Philadelphia, Pa. 19103; $3), is devoted entirely to an exploration of new concepts in urban transportation. The theme of the issue, says the preface by Athelstan Spilhaus, president of the Institute, was set some time ago by Robert C. Weaver, former Secretary of the U.S. Department of Housing and Urban Development. "Transit," Dr. Weaver told a conference of urban developers, "not only serves the city, but shapes it. Therefore, we think it also mandatory to shape the transit of the future."

NEW PRODUCTS REPORT



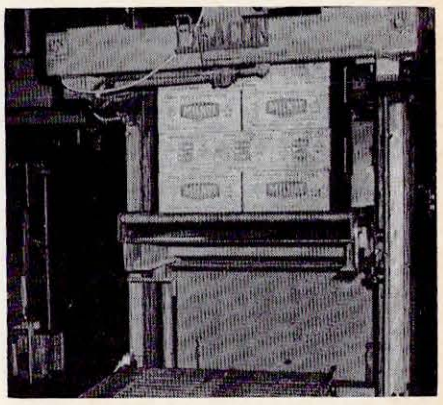
Digital indicator (RA-1)

The sonar principle for continuously determining levels of bulk materials in silos, bins and hoppers, as well as fluid or slurry levels in tanks, is used in the new digital indication Sonargage instrument. Meter converts processed information into a digital display in feet, gallons, or other data. Digital equipment features a remote control and three decades of 1-2-4-8 BCD (Binary Coded Decimal) and 20% over-range capability. *C. W. Stevens.*



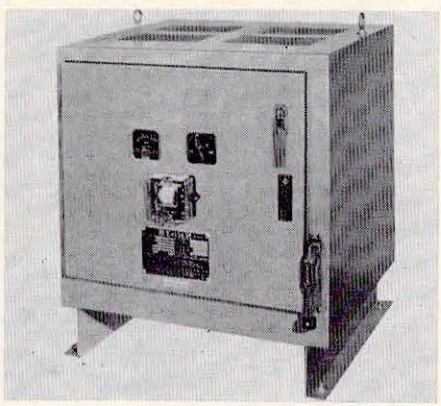
Accelerometer (RA-2)

The direct recording planar (two axes) Series PAO3 Accelograph can be bolted inside shipping containers to monitor and permanently record shock and accelerations experienced by delicate instruments in transit. It is available with full scale ranges of 1, 5, 15, 25, and 50G and is said to have an accuracy of 15% of full scale range. PAO3, a smaller version of Model PAO1, weighs 8 oz. and is 2 in. in diameter by 3½ in. long. *Humphrey.*



Palletizer/unitizer (RA-3)

The multi-pattern Model B automatic loader is capable of receiving any number or combination of bottle cases, cartons, bags or barrels, and automatically unitizing or palletizing them in interlocking patterns. The machine incorporates a 110-volt a-c control circuit and needs no electrical engineer to trace any malfunction, should one occur. Both palletizer and unitizer accept almost any size or type of wooden pallet, case or carton. *Beacon Machinery.*



Battery Charger (RA-4)

When recharged by the automatic Exide Model ETS electric truck charger, industrial lead-acid batteries may be recharged up to 70% faster; last as much as 33% longer; and can be fully recharged in 8 hr. Batteries discharged as low as 1.7 volts per cell open circuit can be safely recharged without blowing fuses. "Blackbox" control system in the discontinued Model ETR charger has been replaced in the ETS by a modular solid-state electronic control system. *ESB.*

Bulkhead modules (RA-5)

Duplex modules of single-rib fiberglass reinforced plastic liner panels and flat sheet used in a "monococque" construction for dry freight movable bulkheads achieve structural strength "without separate reinforcing members or supports." In tests, strengths in some combinations were more than double those of ribbed panels alone. Rib and rib duplex module weighs about twice the single rib panel. *Molded Fiber Glass Products.*

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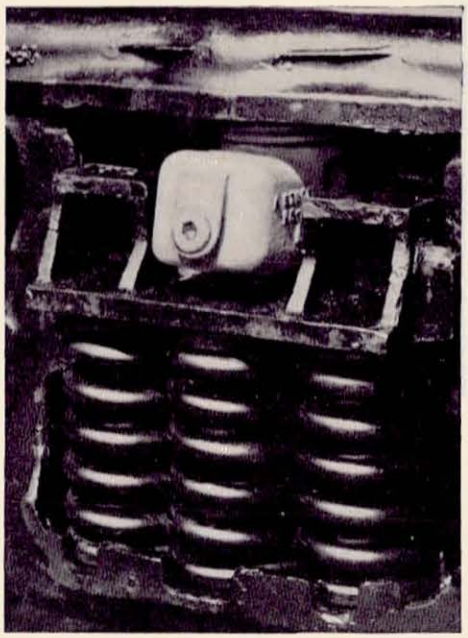

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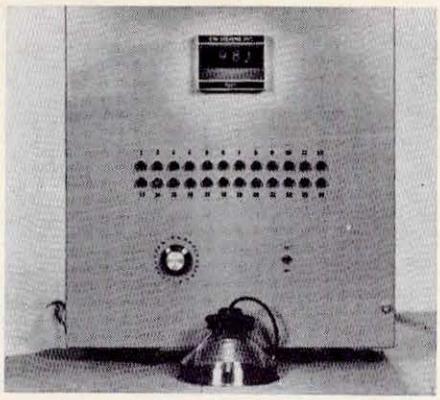

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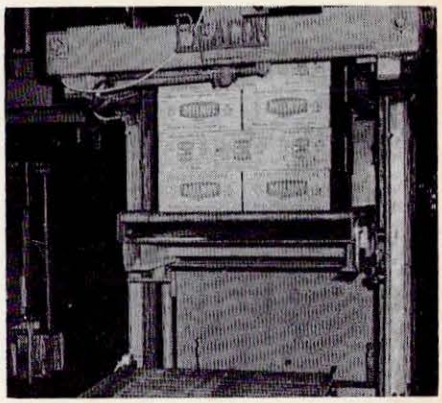

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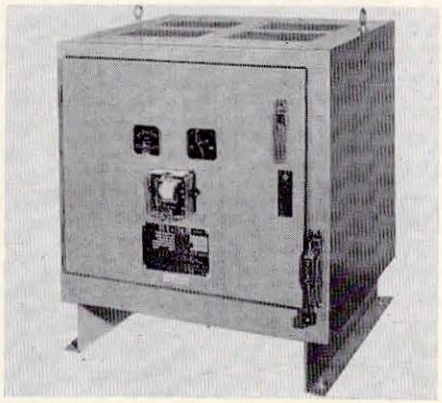

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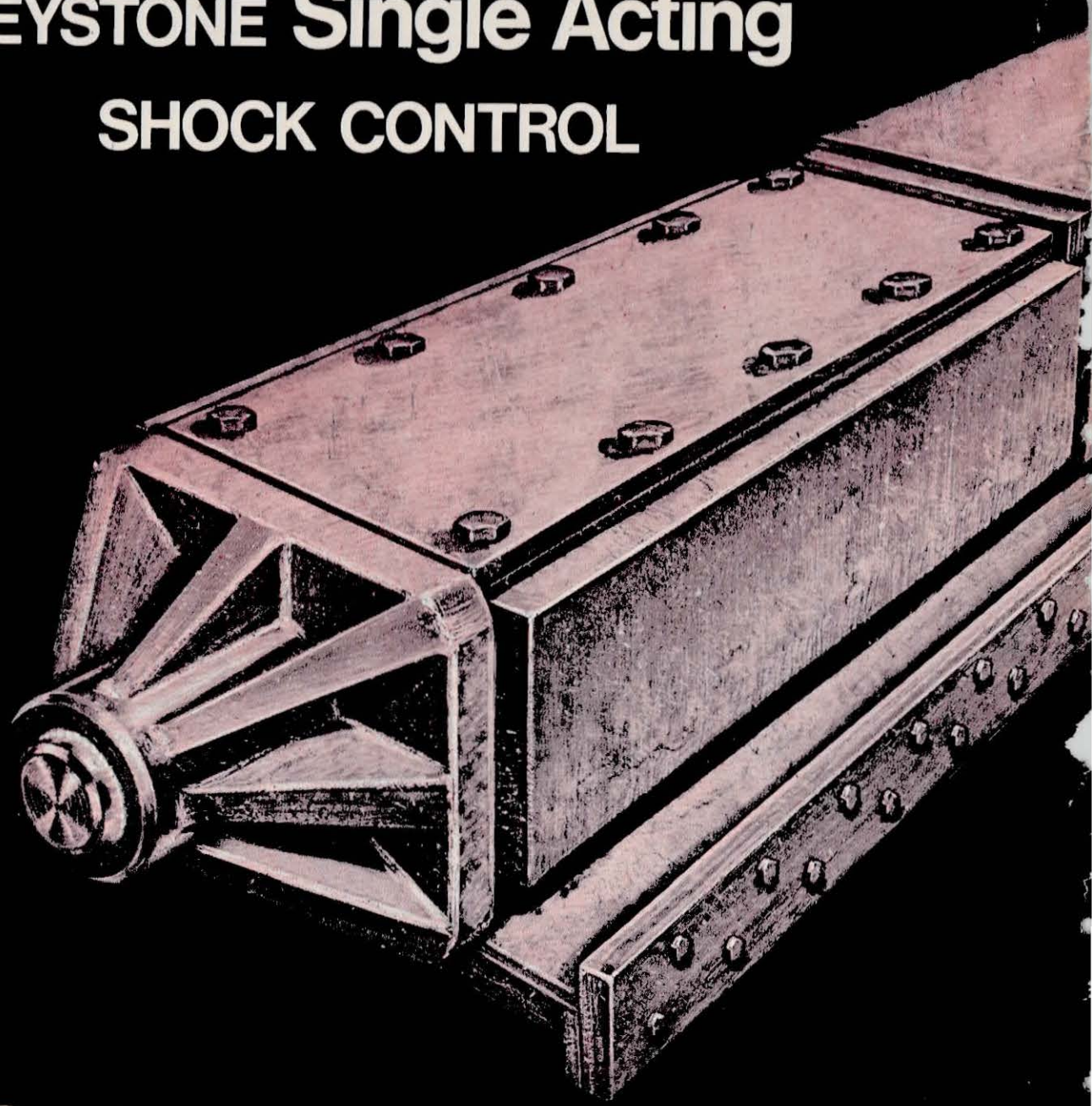

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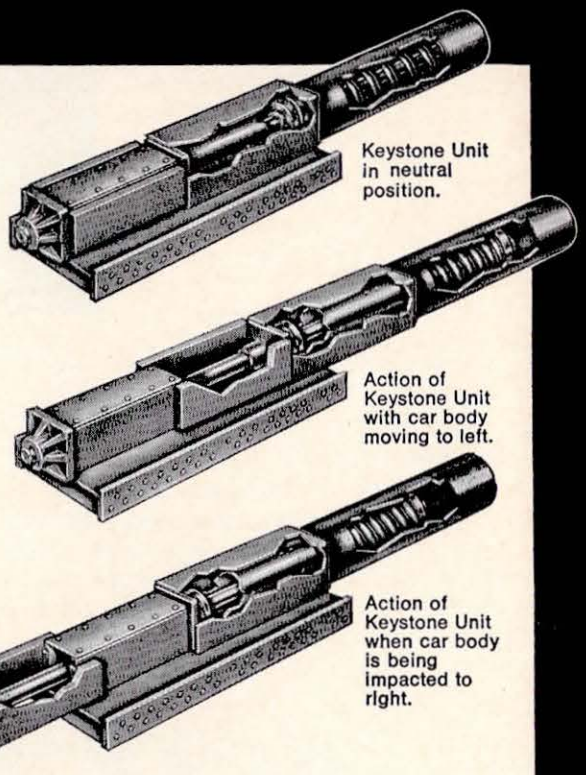
- **Superior cushioning efficiency and protection—Up to 25% increased energy dissipation compared to the best type END-OF-CAR Devices**
- **Constant cushioning protection—Definite reduction in number of secondary impacts**
- **Greater ease in train handling**
- **Self-contained—Complete unit with fixed sill stop simplifies applying unit to a car**
- **Absolute minimum maintenance — Simple design and construction assure maximum performance and service life**
- **Requires maintaining only 1 unit per car instead of two**
- **Total applied weight (all necessary parts including Unit, Spring, Piston Stop and Body Stop, and necessary car builder materials) less than 2450 lbs.**

We still believe the main purpose of a cushioning system is to provide *maximum protection to lading and cars under all train handling conditions,* and the KEYSTONE Single Acting SHOCK CONTROL Unit is designed to do exactly that!

Ask your Keystone representative to show you charts, facts and figures—positive evidence of the *extra savings* you can enjoy from more effective cushioning protection, maximum service life and absolute minimum maintenance.



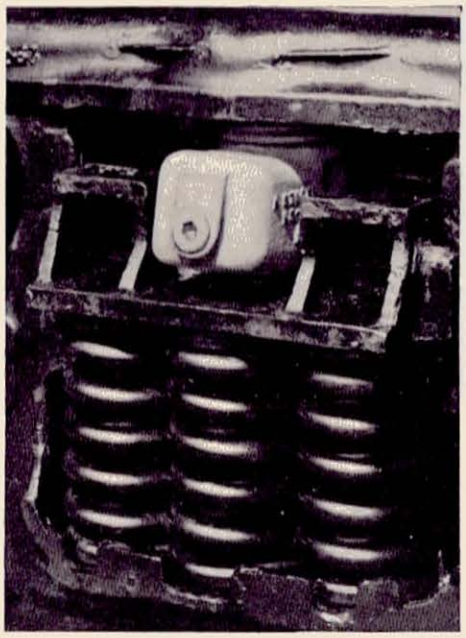
Keystone Unit in neutral position.

Action of Keystone Unit with car body moving to left.

Action of Keystone Unit when car body is being impacted to right.

Write or call 312/427-7160 for new Keystone Catalog.

Let the springs do the cushioning, the Stucki Hydraulic Snubber will do the snubbing.



The Stucki HS-3 Hydraulic Snubber does more work than other supplemental snubbing devices. It checks lateral car rocking and eliminates wheel lift at all speeds. And as it works, this snubber doesn't restrict the action of the truck springs.

Why? Because the Stucki Hydraulic Snubber operates in a unique way. It functions only on the upstroke of the bolster. This enables the spring nest to act freely on the downstroke—to fully cushion vertical loads.

As the springs normally rebound, the Stucki Snubber absorbs kinetic energy to prevent disastrous forces from building up within the truck and converts this energy into heat, which is quickly dissipated.

This damping action reduces weight shift on the bolster and the damaging load reactions to the car body, track and between truck components. There's less wear and tear all around!

This cushioning feature is just one of the many exclusive *engineered* advantages of the Stucki Hydraulic Snubber.

A. STUCKI COMPANY
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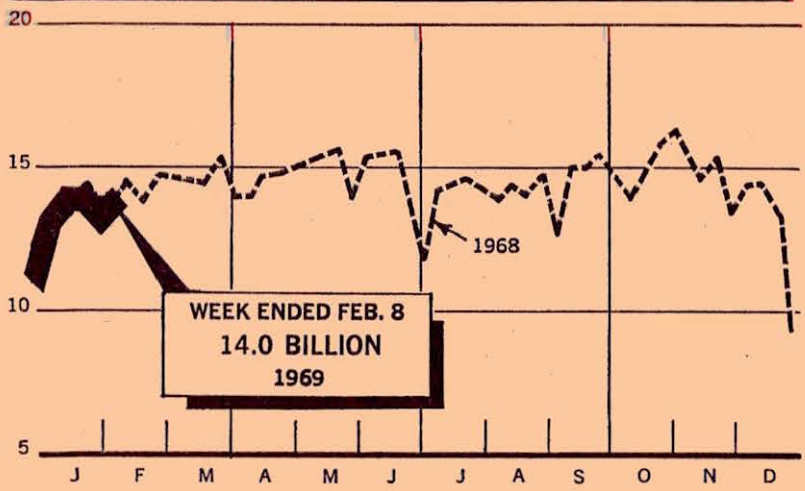
412-281-1570

Circle 20 on coupon page 47

RAIL FREIGHT TRAFFIC TRENDS

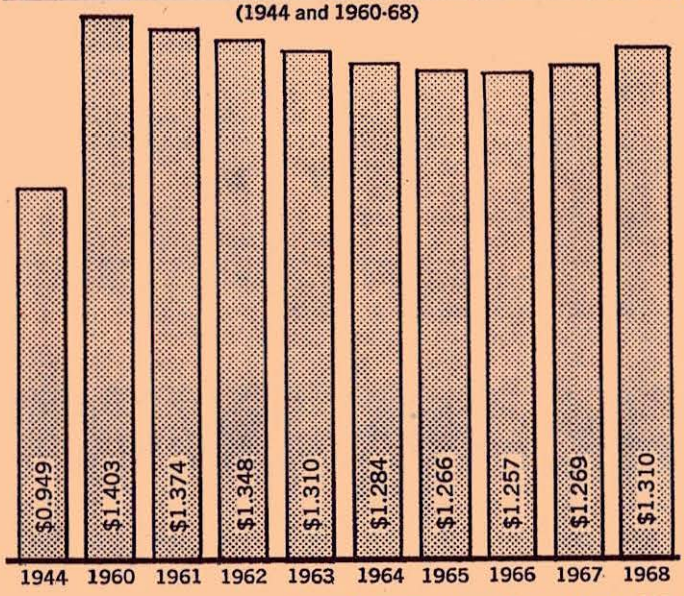
BILLION TON-MILES (Estimated)



Source: Association of American Railroads

RAILROADS' AVERAGE REVENUE PER TON-MILE

(1944 and 1960-68)



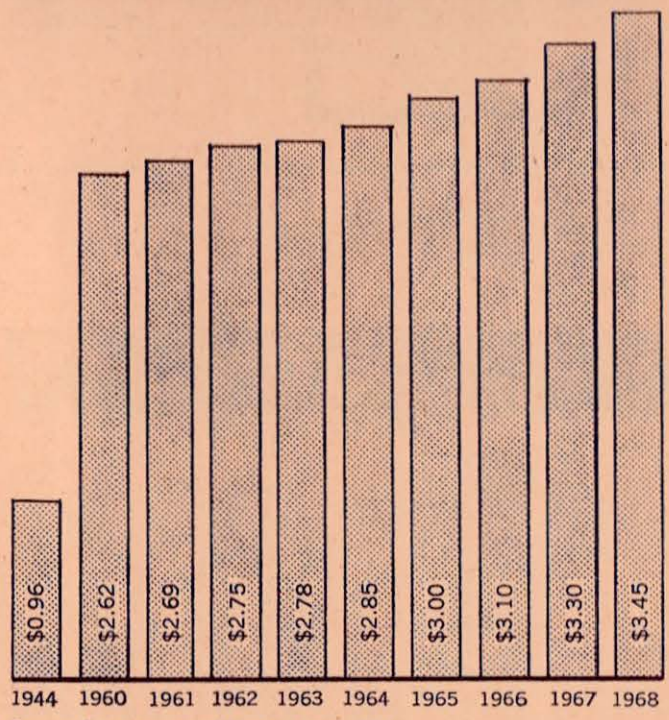
Source: Economics and Finance Dept., AAR.

Current Statistics

Net income, Class I roads	
Nine months, 1968	$386,000,000
Nine months, 1967	342,200,000
New freight cars on order	
Jan. 1, 1969	31,735
Jan. 1, 1968	24,534
New Freight cars delivered	
12 mos., 1968	56,232
12 mos., 1967	83,095
Serviceable cars	
Jan. 1, 1969	1,382,624
Jan. 1, 1968	1,405,832

RAILROAD LABOR COSTS— 1944 and 1960-68

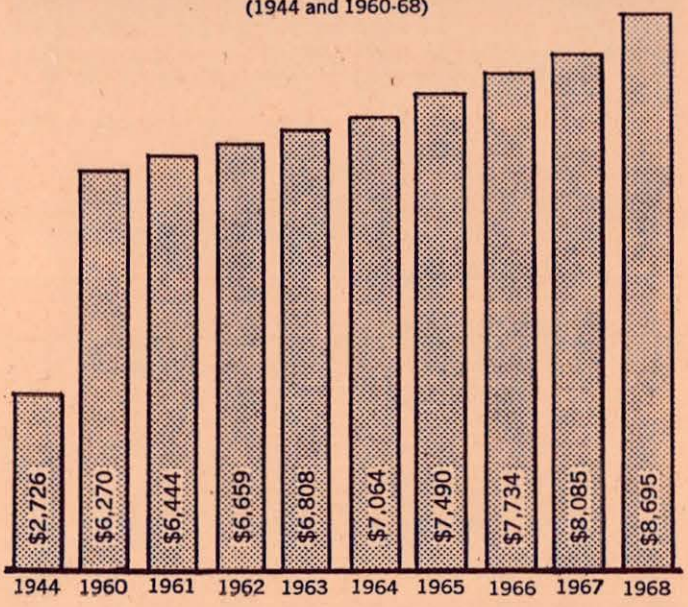
(average straight-time hourly rate)



Source: Economics and Finance Dept., AAR.

AVERAGE ANNUAL EARNINGS PER RAILROAD EMPLOYEE

(1944 and 1960-68)



Source: Economics and Finance Dept., AAR.

MARKET OUTLOOK

CARLOADINGS

Loadings of revenue freight in the week ended Feb. 15 totaled 515,643 cars, the Association of American Railroads announced on Feb. 20. This was an increase of 6,910 cars, or 1.4%, compared with the previous week; a decrease of 2,504 cars, or 0.5%, compared with the corresponding week last year; and a decrease of 14,569 cars, or 2.7%, compared with the equivalent 1967 week. Ton-miles generated by carloadings in the week ended Feb. 15 are estimated at 14.2 billion, the same as for the corresponding week of 1968, and 2.0% above the 1967 week.

REVENUE FREIGHT CARLOADINGS

Commodity	Feb. 8 week	Preceding week	Per cent change
Grain	19,329	16,906	+14.3
Farm products	16,152	17,149	— 5.8
Metallic ores	17,169	15,464	+11.0
Coal	98,485	101,460	— 2.9
Crushed stone, gravel & sand	22,308	21,048	+ 6.0
Nonmetallic minerals	9,201	9,299	— 1.1
Grain mill products	20,286	20,189	+ 0.5
Food & kindred products	24,875	25,543	— 2.6
Primary forest products	23,306	22,787	+ 2.3
Lumber & wood products (except furniture)	14,317	12,853	+11.4
Pulp, paper & allied products	24,975	25,258	— 1.1
Chemicals & allied products	29,117	29,216	— 0.3
Petroleum products	12,357	12,552	— 1.6
Stone, clay & glass products	19,355	18,583	+ 4.2
Coke	7,358	7,700	— 4.4
Metals & products	28,974	29,080	— 0.4
Motor vehicles & equipment	23,992	23,995	....
Waste & Scrap materials	14,344	14,064	+ 2.0
Forwarder & shipper assn. traffic	6,866	6,910	— 0.6
All other carloads.	73,757	73,155	+ 0.8
LCL traffic	2,210	1,980	+11.6
Total cars loaded	508,733	505,191	+ 0.7

CUMULATIVE TOTAL, SIX WEEKS ...	1969	1968	1967
	2,958,231	2,949,738	3,068,378

PIGGYBACK CARLOADINGS

U. S. piggyback loadings for the week ended Feb. 8 totaled 26,055 cars, carrying 42,851 trailers, compared with 23,768 cars, carrying 39,792 trailers, in the corresponding 1968 week. Loadings for 1969 up to Feb. 8 totaled 142,151 cars, carrying 232,506 trailers, compared with 137,745 cars, carrying 226,935 trailers, in the corresponding period of 1968.

FREIGHT-TRAIN CARS

● *Elgin, Joliet & Eastern.*—Ordered 100 66-ft, high-side gondola cars from Thrall at a cost of approximately $1.5 million.

● *Magor.*—Received an order from a private owner for 200 100-ton, 4,200-cu-ft aluminum and steel covered hopper cars for delivery late in June. (Name of purchaser was not disclosed.)

● *Trailer Train.*—Placed orders for an additional 355 cars as follows: from ACF, 64 89-ft, 4-in. low level cars; from Bethlehem, 150 89-ft, 4-in. standard level cars; from Pullman-Standard, 91 89-ft, 4-in. low-level cars and 50 89-ft, 4-in. all purpose cars. TTX purchases of new cars since Jan. 1 now total 1,145. As of Feb. 12, TTX had 49,719 cars in service or on order.

● *United States Railway Equipment Co.*—Has received lease orders for 137 freight cars from three railroads: Canadian Pacific placed an order for lease of 74 60-ft box cars with a variety of load-restraining devices for automotive use. The cars, on 10-year lease are being delivered now. USREC has bought from and is leasing back to the Maine Central 43 box cars on a 10-year lease arrangement. Detroit, Toledo & Ironton has leased 20 50-ft, 70-ton box cars equipped with Evans Air-Pak bulkhead and Hydra-Cushion underframe.

NEW FACILITIES

● *Penn Central.*—Will spend $2.1 million for signal-system improvements on major portions of its lines between Cincinnati and Columbus, Ohio. TCS equipment will be installed on 36 miles of former New York Central line between Sharon Yard (north of Cincinnati) and Dayton, and on 30 miles of former Pennsylvania line between London and Xenia. The program will permit retirement of about 89 miles of excess track. The new signal systems will be activated on a section-by-section basis as completed, with completion of the entire project scheduled for December.

● *Union Pacific.*—Ordered 25 sets of Type EL cab signal equipment from WABCO's Signal & Communications Division.

FOREIGN

● *Brazil.*—CF&I Steel Corp. has received an order topping $3 million for 21,250 metric tons of rails from Brazil's largest iron ore producer, the Companhia Vale do Rio Doce (CVRD). The 115-lb rail will be used on CVRD's Vitoria-Minas Railroad, a 35-mile line that services the company's ore properties about 300 miles northwest of Rio de Janeiro. Shipments to CVRD will start next month. Purchase of the rails is part of CVRD's long-range expansion program to ship 20 million tons of ore over the line to its Vitoria-Tubarao port on Brazil's coast for export.

YOU OUGHT TO KNOW

CN's Turbos encounter more trouble

Canadian National's Montreal-Toronto Turbos, which were withdrawn from service Jan. 6 for modifications, have run into additional difficulties. Two weeks ago a switching engine moving one of the Turbos rammed it into another Turbo. Extent of the damage was undetermined last week; neither of the two damaged trains will be repaired until the modifications to be made to all trains are decided on. These modifications were made necessary when exposed electrical parts froze up during one of the area's severest winters in memory. Tests are continuing. While it was originally hoped that all five trains would be back in service early in February, CN is not now even hazarding a guess.

Record revenues, cost control cut RI deficit

An all-time high in operating revenues combined with "rigid cost control procedures" enabled Rock Island to knock a sizeable chunk off its deficit in 1968. Revenues totaled $239 million, up from $221 million in '67. Costs also went up, but only by about $5.5 million. And the 1968 net loss was held to $4.8 million, down from $16.7 million in the previous year. For fourth-quarter '68, RI showed net income of $2 million. In the same period a year earlier, it lost $3.5 million.

Katy comeback story told—in short form

Katy has issued a new freight-equipment directory—and the pocket-size booklet is, in effect, a mini-story of Katy's return to respectability. The key figures: 58% of Katy's fleet has been acquired during the 1965-68 period; and those 7,468 cars account for 65% of the fleet's freight-carrying capacity.

Southern Pacific getting ready for land-bridge

Southern Pacific has created an International Traffic Department with headquarters in San Francisco—because, says F. E. Kriebel, SP's vice president—traffic, "combined land-and-ocean international shipments are an increasingly important factor in transportation today, and our research indicates that this fast-changing market will continue to expand, particularly in the movement of containerized freight." He added: "No transportation company is better prepared to handle land-bridge traffic between the Orient and Europe than Southern Pacific. We pioneered the idea back in the late 1860's." Patrick Stinson, formerly district freight agent at San Jose, is the newly-named general manager, international traffic. The new department has offices in key port cities from San Francisco to New York.

GTW adds to its fleet on Lake Michigan

A third car ferry, the "City of Milwaukee," has been added to Grand Trunk's Lake Michigan fleet, to help the railroad move as much freight as possible during "the toughest navigational period of the year." GTW needed the third vessel for about a month last year, and the "Milwaukee" will probably be kept in service for about the same length of time in 1969, depending upon weather conditions and the navigability of the harbors. The "Milwaukee" will operate five days a week; car ferrys "Madison" and "Grand Rapids" operate daily on the 85-mile cross-lake run between Milwaukee and Muskegon, Mich.

Hydro-Train plans additional Alaska service

Regular steamship service between Seattle and Seward, Alaska, has been curtailed—and Alaska Hydro-Train is moving to fill the gap. Executive Vice President Leo L. Collier said Hydro-Train schedules "will be stepped up to provide as much freight transportation capacity between Alaska and the rest of the United States as may be necessary." Cargo formerly transported from Seattle to Seward by steamship, and now scheduled for rail-car shipment via Hydro-Train, will arrive at Whittier, Alaska, and travel to Seward and other points via the Alaska Railroad. Hydro-Trains are rail-car-carrying barges.

J. B. Lanterman
AMSTED

Goff Smith
AMSTED

SUPPLY TRADE

Joseph B. Lanterman has been elected chairman, **AMSTED Industries.** Mr. Lanterman, who has been president and chief executive officer, will continue as chief executive officer. **Goff Smith,** executive vice president, has been elected president, and will be the chief operating officer.

W. C. Wright, district sales manager, **FreightMaster Division, Halliburton Services,** has been promoted to chief mechanical engineer, with headquarters continuing in Fort Worth. Mr. Wright replaces **R. E. Abbott,** who is on special assignment with Halliburton's **Special Products Division.**

Maurice R. Buddemeier has been appointed to the newly established position of sales manager, **South Bend Lathe,** an operating unit of **AMSTED Industries.**

Paul J. Johnson, manager of taxes and accounting, **Union Tank Car Co.,** has been named to the newly created position of assistant treasurer.

United States Railway Equipment Co., has moved its headquarters from 105 W. Adams St., Chicago, to the O'Hare Lake Office Plaza, 2200 E. Devon Ave., Des Plaines, Ill.

INDUSTRIAL TRAFFIC

Jack H. Dodgson, manager—traffic, eastern area, **United States Steel Corp.,** Philadelphia, has been appointed manager—traffic, central area, Chicago, to succeed **Charles E. Cronauer,** who has been named manager—Pittsburgh and Ohio area traffic, at Pittsburgh. Mr. Cronauer succeeds **W. Moreland Ernst,** who has assumed the new post of manager—area traffic administration. **Neil N. Diehl** has been appointed manager of traffic, Eastern area, Philadelphia, succeeding Mr. Dodgson.

Larry W. Kobitter has been named director of transportation and distribution, **Elcor Chemical Corp.** He was previously director of transportation, **D. J. Stark & Associates.**

Robert E. Soudriette has been appointed traffic manager of the manufacturing and by-products division, **Citizens Gas & Coke Utility,** to replace **John J. Long,** who retired Dec. 31, 1968.

Patrick E. O'Malley has been appointed general traffic manager, **TIME Incorporated,** Chicago. He has had previous assignments in the Production and Traffic Departments. **Frank R. Strupeck,** departmental supervisor, Traffic Department, has been promoted to traffic manager and will be in charge of the Subscriber Division. **George T. Emmerick** and **C. Joseph Cooney** were promoted to assistant traffic managers.

Richard L. Hiatt, traffic manager, Portsmouth Division, **Detroit Steel Corp.,** has been promoted to general traffic manager.

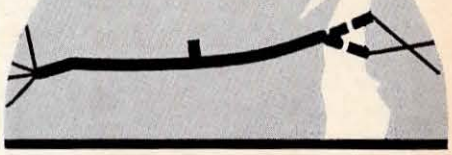
S. St. John has been appointed regional traffic manager, East Central Region, **F.W. Woolworth Co.,** Cleveland, succeeding **John R. Rouce,** retired.

James M. Gamble, traffic manager, transportation services, **International Harvester Co.,** Chicago, has been appointed general traffic manager, succeeding **Marshall M. Parkhurst,** retired. **John F. Dougherty,** supervisor, freight rates and classifications, succeeds Mr. Gamble.

Harold C. Herrmann has been named manager of distribution development, **General American Transportation Corp.**

R. W. Bledsoe, transportation manager, Atlanta region, **L. B. Foster Co.,** has been promoted to the newly created post of distribution manager, Southeastern United States and the Caribbean for Foster and its subsidiary, **Southern Pipe Coating Co.**

Save a day the Green Bay Way!



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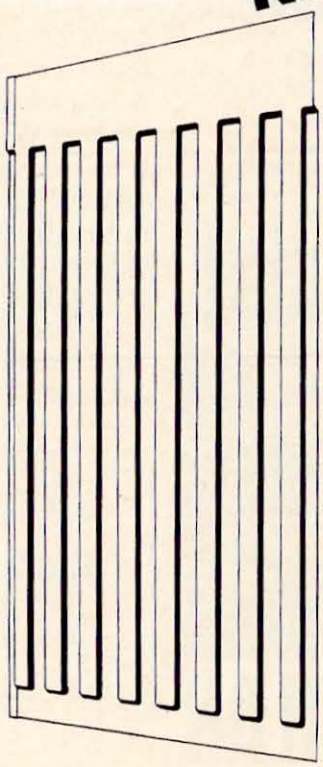

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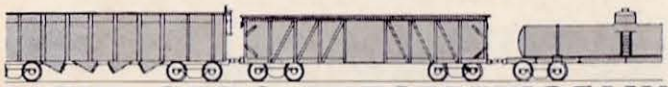

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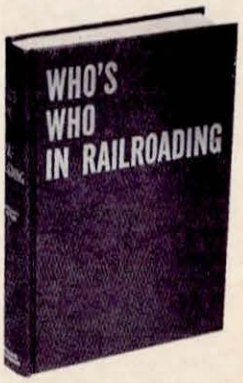

- His present title or position
- His business address and home address
- His age, marital status, family
- His career—including railroad, professional, military
- His technical society memberships, public offices held, books and articles written
- His education, clubs, fraternity

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FreightMaster, A Division of Halliburton Services	IBC
Great Dane Trailers, Inc.	10
Great Northern Railway Company	13
Green Bay & Western Railroad Company	55
Kansas City Southern Lines	18
Kemlite Corporation	55
Keystone Railway Equipment Company	48-49
Louisville & Nashville Railroad	3
Miner, Inc., W. H.	6
Missouri-Pacific Lines	BC
National Steel Corporation	16-17
Nolan Company, The	56
North American Car Corporation	14
Northern Pacific Railway Company	36-37
PPG Industries	27
Pullman-Standard, Division of Pullman, Inc.	28-29
Pullman, Inc., Trailmobile Division	32-33
Railway Educational Bureau	56
Realco	4
Stucki Company, A.	50
Sylvania Electric Products	34
Thermo King Corporation	9
United States Steel	30-31
Vermont Railways	46

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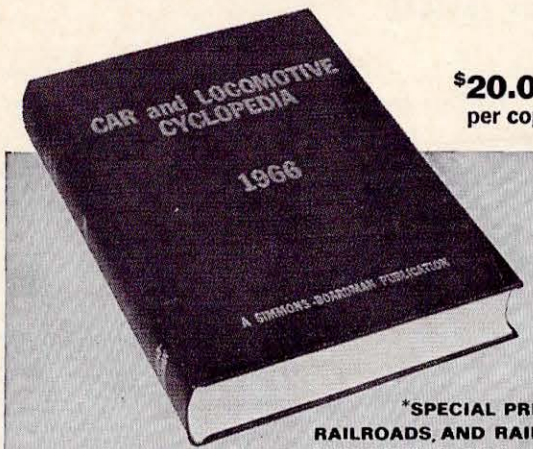

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VIEWPOINT

Mergers: The hidden costs of delay and indecision

When railroads set out to measure the costs of that indefinite-delay process known as a merger case, some things come easily. Cost analysts can say, with reasonable accuracy, how much could be saved if shop consolidation could take place, if a new yard could be built, if offices could be combined, if data-processing and communications facilities could be closely linked. No cost analyst, however, can adequately gauge what may be the most vital long-run "cost" of all—the loss of bright young men who simply cannot afford to mark time while their future becomes their past.

One long-time industry observer—a man who's seen what merger delay can do—sums it up:

"For the railroad itself, there's the problem that's generally recognized. You just can't move ahead boldly. You can't do many of the things you know you ought to be doing. But for the individual, it can be worse. Take the younger people—the people we say we're basing the future on. If you're very-top management or if you're covered by union contract, you know what's going to happen after merger, or you know pretty well where you'll be. But for the young man, there's doubt and apprehension. You can't see the future mapped out very clearly. And you know you're racing the calendar—you feel you have to make progress while you're young. So what happens? The railroad winds up in the grip of a sizeable morale problem—and you begin losing men in the very areas where you need them most."

What areas are most loss-susceptible? Not surprisingly, those areas where transfer of skill comes most easily—law, industrial engineering, data-processing, marketing, to name a few. Tragically, these are also the major kinds of skills on which the industry will have to lean most heavily for its future development.

Of course, not all manpower losses are pre-merger, or directly related to the delay-and-indecision factors. The post-merger record, in certain instances, is also dotted with departures of men who discovered things not working out to their choosing. They, at least, had a chance to sample change. They, presumably, had something resembling fact on which to base career decisions.

IT'S NOT EASY TO FIND AN ANSWER

But is there anything that can be done to shut off the drain from the pre-merger talent pool? Unfortunately, an answer doesn't come readily. Ambitious young men don't take easily to vague reassurances. Ambitious young men who know the value of their skills don't take easily to cozying, cajoling or conning.

Perhaps, some say, the bright young men should put their faith in the survival of the fittest—talent will out, and so forth. History shows that this doesn't always work.

Perhaps the real answer is no new answer at all—merely that some way has to be found to speed up the merger process. Neither the ICC nor the railroads can do the job alone. But together, some progress might be possible, if the desire is there.

You don't find much about the talent-drain in the dust-dry record of a railroad merger case. But it's one more reason for rationalizing merger—as good as any, and better than some.

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